First State Investments

# First State Investments ICVC

## Prospectus

**Prospectus valid as at 2 December 2019**

First State Investments ICVC ("the Company") is an open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC23. **Important:** If you are in any doubt about the contents of this Prospectus you should consult your financial adviser. This document constitutes the Prospectus for First State Investments ICVC which has been prepared in accordance with the FCA's COLL Sourcebook.

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

# Contents

[1] The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

[2] The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019

## 1.0 Important information

### 1.1 General

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

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

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

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

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

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

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

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

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

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

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

The Funds are not currently qualified for sale, and the Funds and the ACD are neither registered nor exempt from registration as a dealer, adviser or investment fund manager, in any province or territory of Canada. Any investment in Shares by or on behalf of a person resident or otherwise located in Canada is prohibited. From time to time the ACD may accept investment from such persons at its discretion.

No application has been made for any of the Funds to be listed on any stock exchange. Shareholders may purchase or sell Shares through the ACD or its approved distributors in accordance with the provisions of this Prospectus and the Instrument of Incorporation.

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

The ACD may be required to withhold parts of certain payments to certain Shareholders as required by local laws, regulations or contractual obligations with other jurisdiction's tax authorities, such as the US Internal Revenue Service ("US IRS").

The ACD may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the Shareholder a declaration in the prescribed form confirming that the Shareholder is not a United Kingdom resident.

The ACD will be required to identify whether any of the Shareholders are "specified United States persons" under the tax laws of the US or are non-US entities with one or more specified United States persons as "substantial United States owners," and may be required to report to the US IRS the identity, value of holdings and payments made to such persons. The ACD may be required to withhold on withholdable payments made to such persons. In addition, the ACD may be required to disclose information as outlined in the Taxation section.

For this purpose, a "specified United States person" generally will include, subject to certain exceptions, (A) an individual who is a citizen or resident of the US, (B) a partnership or corporation (including any entity treated as a partnership or corporation for US tax purposes, such as a limited liability company) organised in or under the laws of the US or any state of the US thereof (including the District of Columbia), (C) any estate the income of which is subject to US tax regardless of its source, and (D) any trust if (i) a court within the US is able to exercise primary supervision over the administration of the trust and (ii) one or more United States persons have the authority to control all substantial decisions of the trust.

The ACD reserves the right to repurchase such number of Shares held by a Shareholder as may be necessary to discharge the tax liability arising. The ACD reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the Shareholder's residency or status in the form prescribed by the ACD.

The ACD may be required to collect additional information from Shareholders, throughout the duration of the relationship between the ACD and the Shareholders, as required by local laws, regulations or contractual obligations with other jurisdictions' tax authorities, such as the US IRS.

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

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

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

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

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

MUFG and its subsidiaries (other than the ACD as stated in this section above) are not responsible for any statement or information contained in this document. Neither MUFG nor any of its subsidiaries guarantee the performance of the Company or the repayment of capital by the Company. Investments in the Company are not deposits or other liabilities of MUFG or its subsidiaries, and the Company is subject to investment risk, including loss of income and capital invested.

## 1.2. Information for distributors

Distributors and other intermediaries that offer, recommend or sell Shares in the Funds must comply with all laws, regulations and regulatory requirements that may be applicable to them. Such distributors and other intermediaries must also consider such information about the Funds and their Share Classes as is made available by the ACD or the Investment Manager for the purposes of Article 24(2) of Directive 2014/65/EU on Markets in Financial Instruments Product Governance regime including, without limitation, product assessment information. Distributors and intermediaries may obtain such information via the ACD's website www.firststateinvestments.com/information-for-distributors.

In accordance with the UCITS regime, this Prospectus includes a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's product assessment for the Funds for the purposes of Article 24(2) of Directive 2014/65/EU on Markets in Financial Instruments Product Governance regime, which may be obtained separately by distributors and other intermediaries as set out above.

Appendix III refers to the benchmarks against which the ACD compares the performance of the Funds. Distributors should ensure that the use of benchmarks in information disclosed to potential and existing investors in the Funds is consistent with this Prospectus.

## 1.3 Data privacy

The Company will control and protect personal data in accordance with the requirements of Regulation (EU) 2016/679, the General Data Protection Regulation or "GDPR", as described in greater detail in the Company's data privacy statement. A copy of this data privacy statement is available by emailing us at enquiries@firststate.co.uk or writing to us at First State Investments (UK) Ltd, PO Box 404, Darlington, DL1 9UZ.

## 1.4 Trademarks

The FSI logo and FFSA logo are trademarks of the Commonwealth Bank of Australia or an affiliate thereof and is used under licence.

In Australia, 'Colonial', 'Colonial First State', 'CFS', 'First State Global Asset Management', 'FSI GAM', 'FSI Global' and 'FSI' are trade marks of Colonial Holding Company Limited and 'Colonial First State Investments' is a trade mark of Commonwealth Bank of Australia and all of these trade marks are used under licence.

In New Zealand, 'Colonial' and 'Colonial First State' are trade marks of Commonwealth Bank of Australia and are used under licence.

In China, Malaysia, Singapore and Vietnam 'CMG First State' is a trade mark of Colonial Services Pty Ltd and is used under licence.

In China, Hong Kong, India, Indonesia, Malaysia, Singapore, Thailand and Vietnam, 'Colonial First State' is a trade mark of Colonial Services Pty Ltd and is used under licence.

In the UK and Ireland, 'Colonial' and 'Colonial First State' are trade marks of Colonial Holding Company Limited and are used under licence.

This Prospectus is dated, and is valid, as at 2 December 2019.

## 2.0 TERMS USED IN THIS DOCUMENT

| | |
|---|---|
| **ACD** | First State Investments (UK) Limited, the authorised corporate director of the Company. |
| **Approved Bank** | In relation to a bank account opened by the Company:<br>a. if the account is opened at a branch in the UK:<br>i. the Bank of England; or<br>ii. the central bank of a member state of the OECD; or<br>iii. a bank; or<br>iv. a building society; or<br>v. a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or<br>b. if the account is opened elsewhere:<br>i. a bank in (a); or<br>ii. a credit institution established in an EEA State other than the UK and duly authorised by the relevant Home State Regulator; or<br>iii. a bank which is regulated in the Isle of Man or the Channel Islands; or<br>c. a bank supervised by the South African Reserve Bank. |
| **Asia, Asian and Asia Pacific** | means Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand and Vietnam. |
| **Base Currency** | The base currency of the Company and each Fund is Pounds Sterling. |
| **CCDC** | China Central Depository & Clearing Co., Ltd., a wholly state-owned financial institution approved and funded by the State Council of China. |
| **CCP** | A central clearing counterparty in respect of derivatives transactions. |
| **CFETS** | China Foreign Exchange Trade System & National Interbank Funding Centre. |
| **COLL** | A reference to a rule or chapter in the COLL Sourcebook. |
| **COLL Sourcebook** | The FCA's Collective Investment Schemes Sourcebook as amended or re-enacted from time to time forming part of the FCA Handbook. |
| **Class or Classes** | In relation to Shares, means (according to the context) all of the Shares related to a single Fund or of a particular class or classes of Share related to a single Fund. |
| **Company** | First State Investments ICVC. |
| **Currency Hedged Share Class** | Means either a NAV hedged share class in which the Company effects a hedge from the Base Currency of the Fund (except for the First State Emerging Markets Bond Fund in which the Company effects a hedge |

| | |
|---|---|
| | from US Dollars) into the currency of denomination of the Currency Hedged Share Class concerned or a portfolio hedged share class in which the Company effects a hedge from the currency of denomination of certain (but not necessarily all) assets of the relevant Fund into the currency of the Currency Hedged Share Class concerned. |
| **Custodian** | The Bank of New York Mellon (International) Limited and/or such other person appointed from time to time by the Depositary to provide custody services in respect of the Company. |
| **Dealing Day** | Monday to Friday except for (i) the last working day before Christmas and (ii) any bank holiday in England and Wales. Provided that the ACD may at its discretion decide that any day shall be an additional Dealing Day and that the ACD may in respect of a Fund elect to treat a day as not being a Dealing Day where a market to which that Fund is exposed is closed for business. |
| **Depositary** | The Bank of New York Mellon (International) Limited, the depositary of the Company. |
| **Derivatives** | The term "derivative" traditionally applies to certain contracts that "derive" their value from changes in the value of the underlying securities, currencies, commodities or index. Investors refer to certain types of securities that incorporate performance characteristics of these contracts as derivatives. |
| **EEA State** | A member state of the European Economic Area. |
| **Eligible institution** | One of certain eligible institutions (being a BCD Credit institution authorised by its home state regulator or a MiFID Investment firm being authorised by its home state regulator) as defined in the glossary of the FCA Handbook Rules. |
| **EMEA** | Europe, Middle East and Africa. |
| **Emerging Markets** | Countries which are not classified as developed markets by MSCI (https://www.msci.com/documents) or FTSE (https://research.ftserussell.com/products), or which are categorised by the World Bank as middle or low-income (https://data.worldbank.org/country) or which are not members of the Organisation for Economic Co-operation and Development. |
| **EMIR** | European Market Infrastructure Regulation (EU) No. 648/2012 of 4 July 2012, and all Delegated Regulations and Implementing Regulations issued under it, including (without limitation) Commission Delegated Regulation (EU) 2016/2251 on risk mitigation techniques. |
| **EPM or Efficient Portfolio Management** | Efficient Portfolio Management as described in paragraph 19.1.16 of Appendix VI. |
| **ERISA Plan** | (i) Any employee benefit plan within the meaning of section 3(3) of the United States Employee Retirement Income Securities Act of 1974, as amended ("ERISA") and subject to Title I of ERISA; or (ii) any individual retirement account or plan subject to Section 4975 of |

| | |
|---|---|
| | the United States Internal Revenue Code of 1986. |
| **Euro** | The legal currency of the countries participating in the European Monetary Union. |
| **Euro Shares** | Shares in a Fund denominated in Euro. |
| **Excess Loss** | As detailed in the sections "Hedged Share Classes" and "Currency Hedged Share Classes Risk" later in the prospectus. |
| **Exchange** | Any exchange on which transactions in financial instruments may be conducted. |
| **Fraction** | A smaller denomination share (on the basis that one-thousand smaller denomination shares make one larger denomination share). |
| **FCA** | The Financial Conduct Authority. |
| **FCA Handbook** | The handbook of rules and guidance published by the FCA as amended from time to time. |
| **FCA Rules** | The amended FCA Handbook of Rules and Guidance made under the Financial Services and Markets Act 2000, as amended, revised, updated or supplanted from time to time, including for the avoidance of any doubt, the COLL Sourcebook. |
| **FTSE** | Financial Times Stock Exchange. |
| **Fund Administrator** | The Bank of New York Mellon (International) Limited, in its capacity as the administrator of the assets of the Company. |
| **Fund or Funds** | A sub-fund or sub-funds of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the applicable investment objective. |
| **Global Sub-Custodian** | The Bank of New York Mellon SA/NV and The Bank of New York Mellon. |
| **Group Link** | In relation to conflicts of interest for the Depositary, means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002. |
| **Indian Subcontinent** | Means Bangladesh, India, Pakistan and Sri Lanka. |
| **Initial Charge** | Shall have the meaning outlined to it in the section entitled "Fees and Expenses". |
| **Initial Issue Price** | The price at which Shares may be subscribed to during the Initial Offer Period. |
| **Initial Offer Period** | The period set by the ACD in relation to any Fund or Share Class as the period during which Shares are initially on offer and may be subscribed at the Initial Issue Price. |
| **Investment** | First State Investment Management (UK) Limited, the investment |

| | |
|---|---|
| **Manager** | manager appointed to provide investment management and advisory services to the ACD. |
| **Instrument of Incorporation** | The instrument of incorporation of the Company, as may be amended from time to time. |
| **Key Investor Information Document** | A short document containing key investor information for investors on the essential elements of the Company, the relevant Fund and share class into which the investor is seeking to invest. The Key Investor Information Document must be seen and read prior to any subscription being made. |
| **Latin America** | means the following countries: Brazil; Mexico; Chile; Colombia; Peru; with other markets including Argentina; Bermuda; Bolivia; British Virgin Islands; Cayman Islands; Costa Rica; Jamaica; Panama; Trinidad & Tobago; Virgin Islands (US); and Venezuela, or countries in Central and South America including Mexico and the Caribbean |
| **Link** | In relation to conflicts of interest for the Depositary, means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists. |
| **Manager** | The Investment Manager or Sub-Investment Manager (as applicable) which is responsible for the management of the relevant Fund's assets. |
| **MiFID II** | Together, the EU's second Markets in Financial Instruments Directive (Directive No 2014/65/EU) (the "MiFID II Directive"), delegated and implementing EU regulations made thereunder, laws and regulations introduced by Member States of the EU to implement the MiFID II Directive, and the EU's Markets in Financial Instruments Regulation (Regulation No 600/2014). |
| **MSCI** | MSCI Inc., an investment research firm that provides a range of market indexes, as well as performance analytics and governance tools. |
| **MUFG** | Mitsubishi UFJ Financial Group, Inc. |
| **MUTB** | Mitsubishi UFJ Trust and Banking Corporation, MUFG's trust banking entity |
| **Near Cash Assets** | Has the meaning given in the FCA Handbook (as amended), being money, deposits or investments which, in each case, fall within any of the following:<br>(a) money which is deposited with an eligible institution or an approved bank in:<br>(i) a current account; or<br>(ii) a deposit account, if the money can be withdrawn immediately and without payment of a penalty exceeding seven days' interest calculated at ordinary commercial rates;<br>(b) certificates of deposit issued by an eligible institution or an approved bank if immediately redeemable at the option of the holder;<br>(c) government and public securities, if redeemable at the option of the |

| | |
|---|---|
| | holder or bound to be redeemed within two years;<br>(d) bills of exchange which are government and public securities;<br>(e) deposits with a local authority of a kind which fall within paragraph 9 of Part II of the First Schedule to the Trustee Investments Act 1961, and equivalent deposits with any local authority in another EEA State, if the money can be withdrawn immediately and without payment of a penalty as described in (a). |
| **Net Asset Value or NAV** | The value of the Scheme Property of the Company (or of any Fund, as the context requires) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Company's Instrument of Incorporation. |
| **Net Asset Value per Share or NAV per Share** | The Net Asset Value of a Class in issue in respect of any Fund divided by the number of Shares of the relevant Class in issue or deemed to be in issue in that Fund. |
| **OECD** | The Organisation for Economic Co-operation and Development. |
| **OEIC Regulations** | The Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time. |
| **OTC** | Over-the-counter. |
| **Registrar** | The Bank of New York Mellon (International) Limited, in its capacity as the registrar of the Company. |
| **Regulated Markets** | The eligible securities markets and the eligible derivatives markets. |
| **Regulations** | The FCA Rules and the OEIC Regulations. |
| **Scheme Property** | The property of the Company required under the Regulations to be given for safe-keeping to the Depositary. |
| **SDRT** | Stamp duty reserve tax. |
| **Second Scheme** | A collective investment scheme which, for the avoidance of doubt, may include other Funds in the Company and/or sub-funds of another umbrella collective investment scheme managed by the ACD or its associates, unless stated otherwise. |
| **SFTR** | The EU Securities Financing Transactions Regulation (2015/2365). |
| **SHCH** | Shanghai Clearing House of the People's Republic of China. |
| **Share or Shares** | A share or shares in the Company (including larger and small denomination shares and fractions). |
| **Shareholder** | A holder of registered or bearer Shares in the Company. |
| **Sterling** | The legal currency of the United Kingdom. |
| **Sterling Shares** | Shares in a Fund denominated in Sterling. |
| **Stock Connects** | The securities trading and clearing programs known as:<br>1. Shanghai-Hong Kong Stock Connect and developed by the Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange and the China Securities Depositary and Clearing Corporation Limited, and |

| | |
|---|---|
| | 2. Shenzhen-Hong Kong Stock Connect and developed by the Hong Kong Exchanges and Clearing Limited, the Shenzhen Stock Exchange and the China Securities Depositary and Clearing Corporation Limited. |
| **Sub-Investment Manager** | Entities to which the Investment Manager has delegated any and all of its discretions and powers to manage the assets of the Company. |
| **Switch** | The exchange of Shares of one Class or Fund for Shares of another Class or Fund. |
| **UCITS** | Undertaking for collective investment in transferable securities. |
| **UCITS Directive** | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to UCITS, as may be amended, extended, consolidated, substituted, re-issued or re-enacted from time to time. |
| **US** | The United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction. |
| **US Dollar** | The legal currency of the US. |
| **US Dollar Shares** | Shares in a Fund denominated in US Dollar. |
| **US Person** | Means a person so defined by Regulation S under the United States Securities Act of 1933 (as amended) and for the purposes of this Prospectus generally will include, subject to certain exceptions (i) a natural person resident in the US; (ii) a partnership or corporation organised or incorporated under the laws of the US; (iii) any estate of which any executor or administrator is a United States Person and (iv) any trust of which any trustee is a United States Person. |
| **VAT** | Value Added Tax. |

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

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

## 3.0 DIRECTORY

<table>
<tr><td>THE COMPANY<br>FIRST STATE INVESTMENTS ICVC<br>Registered Office and Head Office:<br>Finsbury Circus House<br>15 Finsbury Circus<br>London<br>EC2M 7EB<br><br>Principal Place of Business:<br>23 St. Andrew Square<br>Edinburgh EH2 1BB</td><td>AUTHORISED CORPORATE DIRECTOR<br>FIRST STATE INVESTMENTS (UK) LIMITED<br>Registered Office:<br>Finsbury Circus House<br>15 Finsbury Circus<br>London<br>EC2M 7EB<br><br>Head Office:<br>23 St. Andrew Square<br>Edinburgh EH2 1BB</td></tr>
<tr><td>INVESTMENT MANAGER<br>FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED<br>Registered Office:<br>23 St. Andrew Square<br>Edinburgh EH2 1BB</td><td>DEPOSITARY<br>THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED<br>Registered and Head Office:<br>One Canada Square<br>London<br>E14 5AL</td></tr>
<tr><td rowspan="3">FUND ADMINISTRATOR AND REGISTRAR<br>THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED<br>Registered Office and Head Office:<br>One Canada Square<br>London E14 5AL<br><br>Principal Place of Business and location of the Register:<br>Capital House<br>2 Festival Square<br>Edinburgh<br>EH3 9SU<br><br>Dealing Address:<br>First State Investments (UK) Limited<br>PO BOX 404<br>Darlington<br>DL1 9UZ</td><td>CUSTODIAN<br>THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED<br>Registered and Head Office:<br>One Canada Square<br>London<br>E14 5AL</td></tr>
<tr><td>LEGAL ADVISERS<br>SIMMONS & SIMMONS LLP<br>Registered Office:<br>CityPoint<br>One Ropemaker Street<br>London<br>EC2Y 9SS</td></tr>
<tr><td>AUDITORS<br>PRICEWATERHOUSECOOPERS LLP<br>Registered Office:<br>Atria One<br>144 Morrison Street<br>Edinburgh EH3 8EX</td></tr>
</table>

# 4.0 DETAILS OF THE COMPANY

## 4.1. Structure of the Company

### 4.1.1. The Funds

The Company is structured as an umbrella company authorised as a UCITS scheme by the FCA under product reference number 188425 and operating under chapter 5 of the COLL Sourcebook. As an umbrella company, different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. Each Fund may issue different Classes of Share and within each Class there may be different types of Share. Further Funds, Classes and types of Share may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund or Class or type of Share, a revised prospectus will be prepared setting out the relevant details of each Fund or Class. The Company has been established for an unlimited duration.

Each Fund is invested as if it were individually authorised as the type of scheme known as a UCITS scheme, as specified in the COLL Sourcebook. The assets of each Fund are treated as separate from those of every other Fund and are invested in accordance with the investment objective and investment policy applicable to that Fund as set out in Section 16.0. Appendix III.

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

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

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

Details of the Funds, including their investment objectives and policies, are set out in Section 16.0. Appendix III. Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of these investment objectives and policies are set out in Section 16.0. Appendix III, as are details of whether income or accumulation Shares are available in a particular Fund or Class.

The Funds currently available for subscription and their FCA product reference numbers are listed in the table below.

| Fund number | Fund | FCA product reference number |
|---|---|---|
| 1 | First State All China Fund | 770173 |
| 2 | First State Asia All-Cap Fund | 695268 |
| 3 | First State Asia Focus Fund | 695269 |
| 4 | First State Asian Property Securities Fund | 636436 |
| 5 | First State Diversified Growth Fund | 695267 |
| 6 | First State Emerging Markets Bond Fund | 636444 |
| 7 | First State Global Emerging Markets Focus Fund | 770174 |
| 8 | First State Global Listed Infrastructure Fund | 636439 |
| 9 | First State Global Property Securities Fund | 636437 |
| 10 | First State Greater China Growth Fund | 636432 |
| 11 | First State Indian Subcontinent All-Cap Fund | 795693 |
| 12 | First State Japan Focus Fund | 695270 |
| 13 | Stewart Investors Asia Pacific Fund | 636427 |
| 14 | Stewart Investors Asia Pacific Leaders Fund | 636433 |
| 15 | Stewart Investors Asia Pacific Sustainability Fund | 636435 |
| 16 | Stewart Investors Global Emerging Markets Fund | 636425 |
| 17 | Stewart Investors Global Emerging Markets Leaders Fund | 636434 |
| 18 | Stewart Investors Global Emerging Markets Sustainability Fund | 636441 |
| 19 | Stewart Investors Indian Subcontinent Sustainability Fund* | 636438 |
| 20 | Stewart Investors Latin America Fund | 636442 |
| 21 | Stewart Investors Worldwide Equity Fund | 636443 |
| 22 | Stewart Investors Worldwide Select Fund** | 636428 |
| 23 | Stewart Investors Worldwide Sustainability Fund | 636445 |

* The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

** The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

### 4.1.2. Initial offer price

During an Initial Offer Period, the Initial Issue Price of Shares in the relevant Fund will be 100p (excluding any Initial Charge) for Class A, Class B, Class E and Class Z Shares and €1 (excluding any Initial Charge) for Class A Euro Shares, Class B Euro Shares, Class E Euro Shares and Class Z Euro Shares and US$ 1 (excluding any Initial Charge) for Class A USD Shares, Class B USD Shares, Class E USD Shares and Class Z USD Shares. Subject to payment being received prior to the close of the Initial Offer Period Shares in the relevant Fund will be allotted to investors. Any subscriptions received after the cut off time will be processed on the next Dealing Day and Shares shall be issued at the relevant Net Asset Value per Share of the relevant Fund as determined on the Dealing Day on which they are issued.

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

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

### 4.1.3. Allocation of income and assets to the Funds

Subject to the paragraph below:

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

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

Any liabilities, expenses, costs and charges specific to a Class will be allocated to that Class and otherwise shall be allocated between Classes by the ACD in a manner which is fair to Shareholders generally but they will normally be allocated to all Classes pro rata to the value of the net assets of the relevant Classes. Liabilities incurred in the context of share class hedging transactions may in certain circumstances impact Shareholders in Classes which are not Currency Hedged Share Classes. Shareholders of all Classes (whether Currency Hedged Share Classes or not) in such Funds should therefore refer to the contagion risk warning described in the Currency Hedged Share Classes Risk factor set out under "Risks Factors" below. This also identifies the Funds which enter into such arrangements.

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

## 5.0 GENERAL INFORMATION

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

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

### 5.1. Address for service

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

### 5.2. Base currency

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

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

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

### 5.3. Accounting periods

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

### 5.4. Income allocations

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

Distributions of income for each Fund which issues income Shares only are paid quarterly as set out in Section 16.0. Appendix III on or before 30 September (annual income allocation date), 31 December, 31 March (interim allocation date) and 30 June in each year.

Distributions of income for each Fund which issues income and accumulation Shares or accumulation Shares only will be made twice yearly as set out in Section 16.0. Appendix III on or before 30 September (annual income allocation date) and 31 March (interim income allocation date) in each year.

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

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

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

Distributions are made by bank transfer only. Shareholders should notify the Registrar of their bank account details to allow distributions to be made.

### 5.5. Annual reports

Annual reports of the Company will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period and both will be available to Shareholders on request. Relevant information regarding the performance of the Funds can be found on the Company's website www.firststateinvestments.com.

Copies may be inspected at the offices of the ACD at Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB. Copies may also be obtained from the ACD at that address.

### 5.6. Documents of the Company

The following documents may be inspected free of charge during normal business hours on every business day at the offices of the ACD at Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB:

a. the most recent annual and half yearly reports of the Company;

b. the Prospectus;

c. the Instrument of Incorporation; and

d. the material contracts referred to below.

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

### 5.7. Material contracts

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

a. the ACD Agreement dated 23 March 1999 between the Company and the ACD;

b. the Depositary Agreement dated 1 August 2017 between the ACD, the Company and the Depositary;

c. the amended and restated Investment Management Agreement dated 24 January 2014 between the ACD and the Investment Manager as may be amended by agreement from time to time;

d. the Services Agreement with a service commencement date of 28 February 2014 between the ACD, First State Investment Services (UK) Limited and The Bank of New York Mellon (International) Limited in its capacity as Registrar and Administrator as may be amended by agreement from time to time;

e. the Delegation Agreement dated 3 January 2018 between the ACD, the Investment Manager and the Sub-Investment Managers as may be amended by agreement from time to time.

Details of the above contracts are given in Section 11.0 headed ‘Management and Administration’.

## 6.0 CHARACTERISTICS OF SHARES

### 6.1. Share Classes

#### 6.1.1. Classes of Share within the Funds

The Company may issue several Classes of Share in respect of each Fund. Currently Sterling Shares are available for subscription in each Fund. These Classes of Share are distinguished on the basis of criteria for minimum subscription, minimum holding and initial and annual charges. The details of each of the current subscription and holding criteria are set out in Section 16.0. Appendix III. The ACD has discretion to allow other investors to apply lower minima than those in Section 16.0. Appendix III in respect of any Class of Shares.

The details of the Initial Charges applicable are set out in Section 16.0. Appendix III as are the details of the annual management charges. As a result of differences in annual management charges for the different Share Classes, monies may be deducted from Classes of the same Fund in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly.

The types of Shares presently available in each Fund and Class are set out in the details of the relevant Funds in Section 16.0. Appendix III.

Each Share Class may be currency hedged or unhedged, for further information see Section 6.14. headed “Currency Hedged Share Classes” below.

#### 6.1.2. Switching

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Class or a Fund for Shares in another Class or Fund. Details of this switching facility and the restrictions are set out in the section entitled “Buying, Selling, Converting and Switching Shares”. Please also refer to Section 1.4 headed “Brexit scheme of arrangement”.

#### 6.1.3. Income and accumulation Shares

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

#### 6.1.4. Currency Hedged Share Classes

For certain Funds the Company issues Currency Hedged Share Classes. Currency Hedged Share Classes can be identified by the suffix “(hedged)” appearing after the currency denomination of the Share Class concerned.

There are two types of Currency Hedged Share Classes available:

a. NAV hedged share class – these share classes are applicable to the First State Diversified Growth Fund and the First State Emerging Markets Bond Fund.

The intention is to hedge from the Base Currency of the relevant Fund into the currency of denomination of the Currency Hedged Share Class. This type of share class aims to reduce exposure to exchange rate fluctuations between the Base Currency of the Fund and the currency of denomination of the Currency Hedged Share Class.

Please note for the First State Emerging Markets Bond Fund the majority of the Fund will be invested in assets denominated in US dollars and the Base Currency of the Fund is denominated in GBP. Accordingly the value of these assets denominated in US dollars may be affected favourably or unfavourably by fluctuations between the currency exchange rates of the assets denominated in US Dollars and the Base Currency of the Fund. The NAV Hedged Share Classes for this Fund aim to reduce exposure to currency exchange rate fluctuations between US Dollars (rather than the Fund's Base Currency) and the currency of denomination of the Currency Hedged Share Class.

b. Portfolio hedged share class – these share classes are applicable to the First State Global Listed Infrastructure Fund, the First State Global Property Securities Fund and the First State Japan Focus Fund.

The intention is to hedge from the currency of denomination of certain (but not necessarily all) assets of the relevant Fund into the currency of the Currency Hedged Share Class concerned. This type of share class aims to minimise the effect of currency fluctuations between the currency of certain (but not necessarily all) assets of the Fund and the currency of denomination of the Currency Hedged Share Class concerned.

Please note for the First State Japan Focus Fund the majority of the Fund will be invested in assets denominated in Japanese Yen. The intention is to hedge the Japanese Yen denominated assets of the Fund into the currency of the Currency Hedged Share Class.

In cases where the underlying currency of the assets is not liquid and/or is subject to foreign exchange restrictions, hedging of the underlying currency may be uneconomical due to limited market liquidity and/or hedging costs. Where the underlying currency of the assets is closely linked to another currency and hedging is deemed uneconomical, proxy hedging may be used instead.

Hedging by proxy is where the Company effects a hedge of the Base Currency of the Fund (or currency exposure of the assets of the Fund) against exposure in one currency by instead selling (or purchasing) another currency closely related to it, provided however that these currencies are indeed likely to fluctuate in the same manner. The ACD will only select and use a proxy currency on the basis that the historical price movements between the underlying currency and the currency selected as a proxy are closely related. Investors should be aware that the underlying currency may not move in line with the currency that has been selected as a proxy and could incur losses to the Net Asset Value of the Class of Shares concerned.

In respect of both types of Currency Hedged Share Class, the Investment Manager will, in respect of the Net Asset Value of each Currency Hedged Share Class:

a. ensure that over-hedged positions do not exceed 105% of such Net Asset Value; and

b. ensure that under-hedged positions do not fall short of 95% of such Net Asset Value.

Additionally, the Investment Manager will:

a. keep share class hedged positions under review on an ongoing basis, with at least the same valuation frequency as that of the relevant Fund, to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels stated above;

b. incorporate a procedure in such review to rebalance the share class hedging arrangements on a regular basis to ensure that any position stays within the permitted position levels stated above and is not carried forward from month to month;

c. seek to ensure that the notional amount of any Derivative transaction entered into in respect of one Currency Hedged Share Class will not lead to a payment or delivery obligation with a value exceeding that of such Class, and prudently assess the maximum potential amount that may be paid to the counterparty of each such Derivative transaction, and collateral that could be required to be posted to such counterparty, to seek to ensure that such payment and posting obligations do not exceed the maximum pool of cash and eligible collateral corresponding with the Net Asset Value of the relevant Currency Hedged Share Class (any such excess an "**Excess Loss**");

d. implement stress tests to quantify the impact of any Excess Loss on all Classes of each Fund that contains any Currency Hedged Share Class; and

e. ensure operational and accounting segregation are in place to allow a clear identification of the values of assets and liabilities, and profit and loss (realised and unrealised) in respect of each Currency Hedged Share Class on an ongoing basis, with at least the same valuation frequency as that of the relevant Fund.

Both types of currency hedging are intended to ensure that the performance of each Currency Hedge Share Class is aligned with the performance of the relevant Fund as a whole. However, Shareholders in Currency Hedge Share Classes are unlikely to benefit from any fall in the currency of denomination of their Currency Hedged Share Class:

a. against the Base Currency of the relevant Fund in the case of NAV hedged share classes; or

b. against the currency of denomination of the assets of the relevant Fund, in the case of portfolio hedged share classes,

and are likely to be subject to movements in the market value of the Derivatives entered into in respect of their Currency Hedged Share Class, which may result in losses or gains to such Shareholders.

For both types of Currency Hedged Share Classes it is intended to carry out such hedging through the utilisation of various techniques, including entering into over-the-counter ("OTC") currency forward contracts and foreign exchange swap agreements, together the "currency hedge transactions". However, investors in the Currency Hedged Share Classes will still be exposed to the market risks that relate to the underlying investments in a Fund and to any exchange rate risks that arise from the investment policy of the Fund that are not fully hedged and to other risks as further set out under the section headed "Risk Factors".

All costs, expenses, gains and losses incurred/accrued from the currency hedge Derivative transactions will, to the extent permitted by applicable law and regulation, be borne on a pro rata basis by all Currency Hedged Share Classes denominated in the same currency issued within the same Fund, subject to the "contagion risk" described below.

The assets and liabilities of each Fund in respect of each Currency Hedged Share Class are not legally segregated as between Class, which gives rise to "contagion risk". This means that if the Currency Hedged Share Class or Classes denominated in the same currency does/do not have sufficient assets to meet its/their liabilities incurred from currency hedge transactions, such liabilities may fall on the other Classes of the Fund, whether such Classes are Currency Hedged Share Classes or not. Contagion risk could therefore disadvantage Shareholders in all Share Classes of a Fund, not just those participating in the Currency Hedged Share Class. Share Classes which present such contagion risk are those identified by the suffix "(hedged)" appearing after the currency denomination of the Share Class concerned.

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

Any Share Class denominated in a currency that is unhedged may be exposed to fluctuations in currency exchange rates between: (a) the currency of that Share Class; and (b) the Base Currency of the Fund and/or the currency in which the assets held by the Fund are denominated, and that may affect the performance of that Share Class negatively.

## 7.0 BUYING, SELLING, CONVERTING AND SWITCHING SHARES

The dealing address of the Registrar is open from 8:00 am to 5:00 pm on each Dealing Day to receive requests for buying, selling and switching Shares. If we receive your application before 12 noon (UK Time) the share price will be determined at that day's valuation point. If we receive an order to buy or sell after 12 noon (UK time), the price will be determined at the following day's valuation point. This is known as "forward pricing".

### 7.1. Buying shares (subscribing)

#### 7.1.1. Procedure

Sterling Shares, Euro Shares and US Dollar Shares can be bought either by sending a completed application form to the dealing address of the Registrar, in writing in a format approved by the ACD, or by telephoning the Registrar on 0800 587 3388, if you are based in the United Kingdom, or on +44 (0) 203 528 4102 if you are based outside of the United Kingdom. This service is only available to clients who can confirm that they have received the relevant Key Investor Information Document pre-sale, where relevant. It should be noted that an agreement to buy or sell Shares in writing or by telephone is a legally binding contract. Application forms may be obtained from the ACD, which shall contain a representation that you have received and read the Key Investor Information Document.

On receipt of a validly completed application, Shares will be issued or purchased on the day of the next available valuation point unless the ACD determines otherwise. As described above, applications received after 12 noon (UK time) will not be effected at that day's valuation point, but will be determined at the following day's valuation point. Unless payment was made with the submission of your application (including by cheque), settlement in cash or cleared funds must be received by the Company or the ACD within 4 business days of the valuation point at which the Share price is determined, or on such other date as confirmed by the Company or the ACD.

If timely settlement is not made in accordance with the above, the ACD may, at its discretion, cancel or redeem any issued or purchased Shares.

Neither the Company nor the ACD will be responsible for any losses caused to the applicant as a result of any cancellation or redemption due to late or non-payment of the settlement amount.

The applicant shall be liable to and indemnify and hold harmless the Company and/or the ACD (as applicable) for any costs or losses incurred or suffered by the Company or the ACD in relation to any late or non-payment of the settlement amount.

The ACD has the right to reject, on reasonable grounds (including in, but not limited to, the relevant circumstances listed in section 7.11.4 headed "Restrictions and compulsory transfer and redemption" below), any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Subscriptions may be either lump sum or regular monthly contributions, in each case subject to the investment minima set out in Section 16.0. Appendix III. Investors wishing to make regular monthly contributions should complete the Direct Debit Mandate section of the application form. The ACD will normally deduct monthly contributions from the account of the investor making regular monthly contributions on the 15th day of every month, or the next working day.

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

#### 7.1.2. Documents the purchaser will receive

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

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

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

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

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

### 7.2. Selling shares (redeeming)

#### 7.2.1. Procedure

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

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

Please refer to Section 1.4 headed "Brexit scheme of arrangement".

#### 7.2.2. Documents the redeeming Shareholder will receive

A contract note giving details of the number and price of Shares sold will be sent to the redeeming Shareholder (the first-named, in the case of joint Shareholders) together (if sufficient instructions in writing have not already been given) with a form of renunciation for completion and execution by the Shareholder (and, in the case of a joint holding, by all the joint holders), no later than the end of the business day following the later of the request to redeem Shares or the day of the valuation point by reference to which the redemption price is determined. Payment in satisfaction of the redemption monies will be made within four business days of the later of (a) the receipt by the Registrar of the form of renunciation (or other sufficient instructions in writing) duly signed by all the relevant Shareholders and completed as to the appropriate number of Shares, together with any other appropriate evidence of title and (b) the valuation point following receipt by the Registrar of the request to redeem. With effect from 1 May 2018, redemption monies will be paid by bank transfer and cheques will no longer be issued for distributions and redemptions.

### 7.2.3. Minimum redemption

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a redemption request if the value of the Shares to be redeemed in any Class is less than the applicable minimum redemption amount for that Class as set out in Section 16.0. Appendix III.

Where the value of the remaining holding of Shares of any Class following the redemption would be less than the applicable minimum holding for that Class (see Section 16.0. Appendix III) a Shareholder may be required to redeem his entire Shareholding.

## 7.3. Switching

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

Switching may be effected either by telephone on 0800 587 3388 or in writing to the dealing address of the Registrar.

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

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook. A Shareholder who switches Shares in one Fund for Shares in any other Fund (or who switches between Classes of Share) will not be given a right by law to withdraw from or cancel the transaction.

It should be noted that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and will for persons subject to United Kingdom taxation be a realisation for the purposes of capital gains taxation. A switch of Shares between different Classes in the same Fund may be regarded as constituting a disposal for the purposes of capital gains taxation, depending on the circumstances. For example, switches of Shares within the same Fund will be chargeable if they involve a switch from a hedged to an unhedged class, or vice versa or a switch between Shares hedged to different currencies.

It is important to note that any requests regarding conversions between Share Classes in different currencies will be treated by the ACD as switches. Shareholders should note that this may have tax implications and should seek appropriate independent advice.

Please also refer to Section 1.4 headed "Brexit scheme of arrangement".

## 7.4. Conversions

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

Conversions may be requested either by telephone on 0800 587 3388 or in writing to the dealing address of the Registrar.

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

No conversion will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. It is important to note that any requests regarding conversions between Share Classes in different currencies will be treated by the ACD as switches (see section on "Switching" above). Investors should note that this may have tax implications and should seek appropriate independent advice.

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

For persons subject to UK taxation, a conversion may constitute a disposal for the purposes of capital gains taxation, depending on the circumstances. For example, Conversions within the same Fund will be chargeable if they involve a conversion from a hedged to an unhedged Class.

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

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

### 7.5 Mandatory conversion of Shares

If a Fund has one or more Classes with the same or similar terms, the ACD may in its absolute discretion, at any time convert all or some Shares held by the holder concerned for new Shares in that Fund with a lower annual management charge, subject to the holder in question being eligible to subscribe for such new Shares, provided that: (a) the ACD shall take into account its duty to act fairly and in the holders' best interests; and (b) the rights attached to such new Shares are the same as, or more favourable than, the rights attached to the Original Shares.

Any conversions effected in accordance with the paragraph above, shall be carried out as set out in the Section headed "7.4 Conversions" above. No conversion charge will be applied.

A confirmation showing details of the transactions will be sent to the Shareholder as soon as is practicable after the conversion has been effected.

### 7.6. Price per Share in each Fund and each class

The price per Share at which Shares are subscribed for by an investor is the sum of the Net Asset Value of a Share after any dilution adjustment is applied. The price per Share at which Shares are redeemed is the Net Asset Value per Share less any applicable redemption charge. The application of the dilution adjustment is described in Section 7.11.1. headed "Dilution adjustment". In addition an Initial Charge may be charged on the subscription amount as described in Section 9.0. headed "Fees and Expenses".

### 7.7. Pricing basis

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

### 7.8. Publication of prices

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

### 7.9. General

To satisfy a request for the subscription, redemption or switch of Shares, the ACD will normally sell Shares to or re-purchase Shares from Shareholders to meet such requests. The ACD is entitled to hold Shares for its own account and to satisfy requests for sale from its own holding. In some circumstances and in accordance with the COLL Sourcebook, the Company will issue or cancel Shares to meet such requests. The COLL Sourcebook requires the ACD to procure the issue or cancellation of Shares by the Company where necessary to meet any obligation to sell or redeem

Shares. The ACD is under no obligation to account to the Company or to Shareholders for any profit it makes on the issue, reissue or cancellation of Shares and will not do so.

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

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

### 7.10. Market timing

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

### 7.11. Other dealing information

#### 7.11.1. Dilution adjustment

The basis on which the Company's investments are valued for the purpose of calculating the issue and redemption price of Shares as stipulated in the COLL Sourcebook and the Instrument of Incorporation is summarised in the Section 8.0 headed "Valuation of the Company". However, the actual cost of purchasing or selling a Fund's investments may be higher or lower than the mid-market value used in calculating the Share price due to dealing charges, taxes, and any spread between the buying and selling prices of the investments. Under certain circumstances this may have an adverse effect on a Shareholder's interest in the Fund, known as 'dilution'. The FCA's rules allow the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of shares.

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

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

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

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

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

For example,

a. on a Fund experiencing net purchases (i.e. purchases less redemptions) as this could lead to trading which results in a dilutive effect;

b. on a Fund experiencing net redemptions (i.e. redemptions less purchases) as this could lead to trading which results in a dilutive effect;

c. where there may be a dilutive effect which, in the opinion of the ACD requires the application of a dilution adjustment in the interests of existing/continuing Shareholders and potential Shareholders.

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

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

For further information on how dilution adjustment may affect the price of Shares, see "Calculation of dilution adjustment" under the section entitled "Valuation of the Company".

A dilution adjustment may not need to be made on every Dealing Day. Although it is not possible to predict accurately whether dilution will occur, for illustrative purposes, the following table details the maximum dilution adjustment, and the number of days on which an adjustment was made for each Fund during the period 1 August 2017 to 31 July 2018:

| **Fund No.** | **Fund** | **Estimate of maximum dilution adjustment:** | | **Number of days on which a dilution adjustment was made** |
|---|---|---|---|---|
| | | **Upwards adjustments** (%) | **Downwards adjustments** (%) | |
| 1. | First State All China Fund | 0.3312 | 0.3306 | 10 |
| 2. | First State Asia All-Cap Fund | 0.4957 | 0.6045 | 21 |
| 3. | First State Asia Focus Fund | 0.3775 | 0.4647 | 32 |
| 4. | First State Asian Property Securities Fund | 0.3586 | 0.3580 | 1 |
| 5. | First State Diversified Growth Fund | 0.1339 | 0.1048 | 7 |
| 6. | First State Emerging Markets Bond Fund | 0.3650 | 0.3650 | 13 |
| 7. | First State Global Emerging Markets Focus Fund | 0.4417 | 0.4466 | 7 |
| 8. | First State Global Listed Infrastructure Fund | 0.3002 | 0.2512 | 6 |
| 9. | First State Global Property Securities Fund | 0.3159 | 0.2781 | 11 |
| 10. | First State Greater China Growth Fund | 0.3818 | 0.4647 | 10 |
| 11. | First State Indian Subcontinent All-Cap Fund | 0.4760 | 0.4747 | 2 |
| 12. | First State Japan Focus Fund | 0.2872 | 0.2868 | 23 |
| 13. | Stewart Investors Asia Pacific Fund | 0.4548 | 0.5281 | 8 |
| 14. | Stewart Investors Asia Pacific Leaders | 0.2231 | 0.3109 | 1 |

| Fund No. | Fund | Estimate of maximum dilution adjustment: | | Number of days on which a dilution adjustment was made |
|---|---|---|---|---|
| | | Upwards adjustments (%) | Downwards adjustments (%) | |
| | Fund | | | |
| 15. | Stewart Investors Asia Pacific Sustainability Fund | 0.4161 | 0.4991 | 4 |
| 16. | Stewart Investors Global Emerging Markets Fund | 0.6307 | 0.6004 | No adjustments made |
| 17. | Stewart Investors Global Emerging Markets Leaders Fund | 0.3642 | 0.3549 | 1 |
| 18. | Stewart Investors Global Emerging Markets Sustainability Fund | 0.5794 | 0.5669 | 7 |
| 19. | Stewart Investors Indian Subcontinent Sustainability Fund* | 0.5664 | 0.5619 | 3 |
| 20. | Stewart Investors Latin America Fund | 0.6500 | 0.6388 | 5 |
| 21. | Stewart Investors Worldwide Equity Fund | 0.3017 | 0.2359 | 3 |
| 22. | Stewart Investors Worldwide Select Fund** | 0.1783 | 0.1025 | 1 |
| 23. | Stewart Investors Worldwide Sustainability Fund | 0.1904 | 0.1447 | 8 |

* the Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

** the Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019

### 7.11.2. Money laundering

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

The ACD may be required to collect additional information from Shareholders, throughout the duration of the relationship, between the ACD and its Shareholders, as required by local laws, regulations or contractual obligations with other jurisdiction's tax authorities, such as the US IRS.

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

### 7.11.3. Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD.

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

### 7.11.4. Restrictions and compulsory transfer and redemption

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

a. which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

b. which would require the Company, the ACD or the Investment Manager to be registered under any law or regulation of any country or territory or cause the Company to apply for registration or comply with any registration requirements in respect of any of its Shares whether in the United States, Canada or any other jurisdiction in which it is not currently registered; or

c. which would (or would if other Shares were acquired or held in the circumstances), in the opinion of the ACD, result in the Company, its Shareholders, the ACD or the Investment Manager incurring any liability to taxation or suffering any other legal, regulatory, pecuniary or other adverse consequence which it or they might not have otherwise suffered or which in the opinion of the ACD in consultation with the Administrator/Custodian/Depositary may result in a Fund and/or the Company suffering any disadvantage which that Fund and/or Company might not otherwise have suffered (including but not limited to where the Shareholder is a United States Person or is holding the Shares for the account or benefit of a United States Person is a resident or otherwise located in Canada or where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the ACD pursuant to local laws, regulations or contractual obligations with other jurisdictions' tax authorities, such as the US IRS, cannot be obtained from the Shareholder or the Shareholder has refused to provide the same or the Shareholder has withdrawn his authorisation for the ACD and/or the Administrator/Custodian/Depositary to disclose such information, documents or self-certifications as may be required by the ACD and/or the Administrator/Custodian/Depositary); or

d. where such person is a US Person or is holding the Shares for the account or benefit of a US Person (other than pursuant to an exemption available under the applicable US law).

e. Where such person is resident or otherwise located in Canada. The Company is not currently qualified for sale in Canada, and the Company or the ACD are neither registered nor exempt from registration as a dealer, adviser or investment fund manager, in any province or territory of Canada. Any investment in Shares by or on behalf of a person resident or otherwise located in Canada is prohibited. From time to time the Company may accept investment from such persons at its discretion.

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

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

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

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

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

### 7.11.5. In specie redemptions

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

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

### 7.11.6. Issue of Shares in exchange for in specie assets

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

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

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

### 7.11.7. Suspension of dealings in the Company

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

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

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

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

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

### 7.11.8. Telephone call recording

MiFID II requires firms such as the ACD and the Investment Manager to record certain telephone conversations or electronic communications when they carry out certain activities in relation to financial instruments (as defined in MiFID II). A copy of these communications must be available on request for a period of five years (or seven years if requested by the FCA) from when the communication was recorded. Shareholders should be aware that their telephone communications may be recorded.

### 7.11.9. Governing Law

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

## 8.0 VALUATION OF THE COMPANY

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

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

### 8.1. Calculation of the Net Asset Value

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

8.1.1. All the Scheme Property (including receivables) of the Company (or the Fund) is to be included, subject to the following provisions.

8.1.2 Property which is not cash (or other assets dealt with in paragraph 8.1.3 below) or a contingent liability transaction is valued as follows and the prices used are (subject as follows) the most recent prices which it is practicable to obtain as follows:

a. units or shares in a Second Scheme:

i. if a single price for buying and selling units or shares is quoted, at that price; or

ii. if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any Initial Charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

iii. if in the opinion of the ACD the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

b. any other transferable security:

i. if a single price for buying and selling the security is quoted, at that price; or

ii. if separate buying and selling prices are quoted, at the average of the two prices; or

iii. if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the ACD, is fair and reasonable;

c. property other than that described in a. and b. above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

8.1.3 Cash and amounts held in current and deposit accounts and in other time-related deposits are valued at their nominal values.

8.1.4 Property which is a contingent liability transaction is treated as follows:

a. if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable is deducted. If the property is an off-exchange option the method of valuation is to be agreed between the ACD and the Depositary;

b. if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

c. if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and the Depositary;

d. if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).

8.1.5 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares are assumed to have been carried out (and any cash paid or received) whether or not this is the case.

8.1.6 Subject to paragraphs 8.1.7. and 8.1.8. below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted are assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

8.1.7 Futures or contracts for differences which are not yet due to be performed, and unexpired and unexercised written or purchased options, are not to be included under paragraph 8.1.6.

8.1.8 All agreements are to be included under paragraph 8.1.6. which are, or ought reasonably to have been, known to the person valuing the property.

8.1.9 An estimated amount for anticipated tax liabilities at that point including (as applicable and without limitation) capital gains tax, income tax, corporation tax and VAT, stamp duty, SDRT, overseas taxes and duties will be deducted.

8.1.10 An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.

8.1.11 The principal amount of any outstanding borrowings, whenever repayable, and any accrued but unpaid interest on borrowings will be deducted.

8.1.12 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.

8.1.13 Any other credits or amounts due to be paid into the Scheme Property will be added.

8.1.14 Currencies or values in currencies other than sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

8.1.15 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.

8.1.16 There must be only a single price for any unit as determined from time to time by reference to a particular valuation point.

**8.2. Calculation of dilution adjustment**

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

8.2.1. When by reference to any valuation point the aggregate value of the Shares of all Classes of a Fund issued exceeds the aggregate value of Shares of all Classes cancelled:

a. any adjustment must be upwards; and

b. the dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the Scheme Property had been valued on the best available market offer basis plus dealing costs; or

8.2.2. When by reference to any valuation point the aggregate value of the Shares of all Classes of a Fund cancelled exceeds the aggregate value of Shares of all Classes issued:

a. any adjustment must be downwards; and

b. the dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been if the Scheme Property had been valued on the best available market bid basis less dealing costs.

## 9.0 FEES AND EXPENSES

### 9.1 General

All fees or expenses payable by a Shareholder or out of Scheme Property are set out in this section. It is important to understand what they are and how they are determined. Below is a summary of the relevant charges and costs associated with investing in the Company. Additional information on each of these is set out in the sections entitled "Charges in detail" and "Additional information on charges and costs" below.

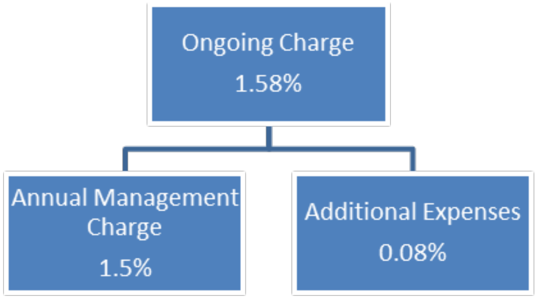
| Section | Charges and Costs | Paid by Shareholders |
|---|---|---|
| 9.2.1. | Ongoing Charge (including the Annual Management Charge and Additional Expenses) | Yes |
| 9.3.1. | Portfolio Transaction Costs and Broker Commission | Yes |
| 9.3.2. | Research | No |
| 9.3.3. | Stamp Duty Reserve Tax (SDRT) | On certain Funds |
| 9.3.4. | Initial Charge | On certain Funds |
| 9.3.5. | Redemption Charge | No |
| 9.3.6. | Switching Fee | On certain switching transactions |
| 9.3.7. | Performance Fee | No |

Additional guidance and information on fees and expenses can be found on the Company's website www.firststateinvestments.com. In particular, investors may wish to refer to the publication entitled "First State Investments ICVC (OEIC) Enhanced disclosure of fund charges and costs".

### 9.2. Charges in detail

9.2.1. **Ongoing Charge**

The ongoing charge (the "Ongoing Charge") is made up of an annual management charge (the "Annual Management Charge") and additional expenses ("Additional Expenses"), as per the example below (note that the Annual Management Charge and Additional Expenses differ for each Fund and Share Class):




The Ongoing Charge is quoted as an annual figure and represents what an investor would pay over a year for as long as the investment is held. The Ongoing Charge is accrued on a daily basis by reference to the Net Asset Value of the relevant Fund on the prior Dealing Day and the amount due for each month is payable on the last working day of the month. As a result, the Ongoing Charge is not fixed and may vary from year to year.

The Ongoing Charge does not include Portfolio Transaction Costs (as defined and detailed below). The Company's Ongoing Charge for the last financial year can be found under the section entitled "Literature" on the Company's website www.firststateinvestments.com.

**Note on Ongoing Charges**

The Ongoing Charge may be deducted from any income that a Fund generates and/or from the Fund's capital (i.e. its assets).

*Ongoing Charge deducted from the Fund's income*:

Currently, the Ongoing Charge is charged against the income property of each of the Funds, save for those Funds listed below under the heading 'Ongoing Charge deducted from the Fund's capital'. Additionally, if there is not enough income to cover the Ongoing Charge, the remaining amount will be taken from the Fund's capital.

*Ongoing charge deducted from the Fund's capital*:

The Funds listed below will charge the Ongoing Charge against the capital property of the Fund. The reason for charging these expenses against capital is to seek to increase the amount of distributable income. However, this may impact future capital growth and reduce the capital value of your investment. Therefore, on redemptions of holdings, Shareholders may not receive back the full amount invested.

First State Asian Property Securities Fund
First State Emerging Markets Bond Fund
First State Global Listed Infrastructure Fund
First State Global Property Securities Fund

The Ongoing Charge is allocated between capital and income in accordance with the COLL Sourcebook.

9.2.2. **Annual Management Charge**

a. As a payment for carrying out its duties and responsibilities as the authorised corporate director of the Company (as further described in the 'Management and Administration' section, under the heading "Authorised Corporate Director"), the

ACD is entitled to take an Annual Management Charge out of each Fund in respect of each Class of Share. The Annual Management Charge is accrued on a daily basis by reference to the Net Asset Value of the Fund on the prior Dealing Day and the amount due for each month is payable on the last working day of the month. The current Annual Management Charge for each Fund is set out in Section 16.0. Appendix III.

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

c. The ACD shall pay the fees and expenses payable to the Investment Manager and Fund Administrator out of its remuneration as described above.

9.2.3. **Additional Expenses**

9.2.3.1. **Fees and Expenses relating to the Depositary**

9.2.3.1.i **Depositary Fee**

The Depositary receives a fee for its services which is due monthly and is calculated and accrued daily based on the Net Asset Value of each Fund (the “Depositary Fee”). The Depositary Fee is payable within ten business days after the last business day of each month.

The rate of the Depositary Fee is agreed between the Company and the Depositary and is payable out of the property attributable to each Fund. The actual charge is calculated on the following basis:

- 0.0075% per annum on the value of each Fund.

This rate can be varied from time to time in accordance with the Regulations.

The Minimum fee payable to the Depositary is £25,000 per annum.

9.2.3.1.ii **Transaction Charges and Custody Charges**

In addition to the Depositary Fee referred to under section (a) above, the Depositary shall also be entitled to receive transaction and custody charges in relation to the transaction handling and safekeeping of the Scheme Property (“Transaction Charges” and “Custody Charges” respectively). Transaction Charges are for the underlying securities traded in local market exchanges. Custody Charges are for the asset value under administration in each securities market.

The Transaction Charges and Custody Charges are as follows:

- Transaction Charges: £2 to £65;

- Custody Charges: 0.001% to 0.3%.

Investors should note that it is necessary for the above Transaction Charges and Custody Charges to be quoted as a range due to the fact that these charges vary from country to country depending on the markets and the type of transaction involved. Transaction

Charges and Custody Charges accrue and are payable monthly. (Please note these Transaction Charges and Custody Charges are separate to the charges disclosed in Section 2. "Portfolio Transaction Costs" below).

9.2.3.1.iii. **Expenses**

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for all out of pocket costs which are reasonably incurred by it in providing services to the Company. Such expenses include, but are not restricted to, sub-custodian out-of-pocket charges, data lines, stamp duties, transfer fees, insurance, postage, courier and unusual legal, tax or regulatory reporting requirements.

9.2.3.1.iv. **Winding up a Fund**

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

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

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

9.2.3.2. **Other expenses paid out of Scheme Property**

In addition to the above, the expenses listed below may also be paid out of Scheme Property:

a. expenses incurred in distributing income to Shareholders;

b. fees in respect of the publication and circulation of details of the price of the Company's Shares; these may be borne by the Company at the discretion of the ACD. Such fees may be charged to the assets of each Fund and Class (acquiring such assets) in such proportions as the ACD may determine;

c. the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;

d. the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund);

e. bank charges;

f. the costs of printing and distributing reports, accounts and any prospectus, publishing prices and any costs incurred as a result of periodic updates of any prospectus and any other administrative expenses, including the costs and expenses of any Key Investor Information Document; these may be borne by the Company at the discretion of the ACD. Such fees may be deducted from the assets of each Fund in such proportions as the ACD may determine;

g. fees and expenses of registering Shares for marketing in EU and other overseas jurisdictions, including facilities and paying agency costs;

h. taxation or duties payable by the Company;

i. interest on and charges incurred in borrowings;

j. any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;

k. fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;

l. any costs, fees and expenses incurred by any person in relation to an issue of Shares in exchange for assets (including fees for professional services, preparation, drafting, printing and posting of any circulars, meetings held and the implementation of such exchange and issue) may be borne by the Company at the discretion of the ACD. Such costs, fees and expenses may be charged to the assets of each Fund and Class (acquiring such assets) in such proportions as the ACD may determine; and

m. all costs and expenses incurred in the currency hedge transactions will be borne on a pro rata basis by all Currency Hedged Share Classes denominated in the same currency issued within the same Fund, subject to the contagion risk described in the section above entitled “Currency Hedged Share Classes”.

VAT is payable on these charges where appropriate.

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

9.2.3.3. **Registrar Fees**

The Registrar is responsible for keeping records of individual Shareholders within the Funds and other related functions. For this activity there are fees and expenses payable to the Registrar out of Scheme Property, including the costs of electronic straight-though processing of issues and redemptions of Shares.

### 9.3. Other costs not included in the Ongoing Charge

### 9.3.1. Portfolio Transaction Costs and Broker Commission

Portfolio transaction costs are the expenses that are incurred when acquiring and disposing of investments (“Portfolio Transaction Costs”). Such buying and selling of investments is often necessary in order to achieve the investment objective of the Funds. Often, when a Fund buys and sells an investment, a broker is used to facilitate the transaction, and the broker will charge commission for undertaking this transaction (“Broker Commission”) which form part of the Portfolio Transaction Costs.

Broker Commissions and stamp duty are paid by the Funds on applicable transactions. In addition to the Broker Commission, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike equities, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Comparing Portfolio Transaction Costs for a range of funds may give false impression of the relative costs of investing in them for the following reasons:

a. Portfolio Transaction Costs do not necessarily reduce returns. The net impact of dealing is the combined effectiveness of the Investment Manager’s investment decisions in improving returns and the associated costs of investment.

b. Historic Portfolio Transaction Costs are not an effective indicator of the future impact on performance.

c. Portfolio Transaction Costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors. For further information see Section 9.4.7. headed ‘Pricing policy note’ below.

d. Portfolio Transaction Costs vary from country to country.

e. Portfolio Transaction Costs vary depending on the types of investment in which a Fund invests.

f. As the Investment Manager’s investment decisions are not predictable, Portfolio Transaction Costs are also not predictable.

9.3.2. **Research**

MiFID II contains changes in relation to inducements requirements and how managers are permitted to obtain investment research, particularly regarding payment for research and research budgets. The new rules prohibit firms who provide portfolio management services from receiving any inducements in relation to these services, except for acceptable minor non-monetary benefits. However, firms are permitted to receive research from third parties, provided they do so in a way that does not contravene the inducements rules.

Each of the ACD, the Investment Manager and the Sub-Investment Managers pay directly out of its own resources for all research (as defined in the FCA Rules) received from third parties in connection with the provision of its services to the Company.

9.3.3. **Stamp duty reserve tax**

From 30 March 2014, no SDRT is charged when Shareholders surrender or redeem Shares, with the exception of where a Shareholder receives a non-pro rata in specie surrender or redemption resulting in a transfer of underlying assets. In this instance, the SDRT will be a liability of the recipient of the underlying assets.

9.3.4. **Initial Charge**

The Initial Charge is the maximum charge payable to the ACD, which is calculated as a percentage of the amount subscribed and might be taken from an investor's initial investment before it is invested. The current maximum Initial Charges which may be imposed by the ACD in respect of each Class of Share are as set out in Section 16.0. Appendix III (the "Initial Charge"). Investors should note that this may also be referred to as the "entry charge". The ACD may impose or waive such an Initial Charge at its discretion. Where consideration for a subscription is paid in shares, a cash amount to cover the Initial Charge will be payable in addition to the consideration amount. Where consideration for a subscription is paid in cash the Initial Charge will be deducted from the consideration amount before it is invested. For example, if an investor invests £1000 in a Fund and the Fund has an Initial Charge of 4%, it means £40 will be deducted to cover the charge of setting up the investment and the remaining £960 will be used to buy Shares in the chosen Fund.

The ACD is permitted to increase the Initial Charge payable on the purchase of Shares (or to introduce an Initial Charge where none is currently payable) in accordance with the COLL Sourcebook and as described below.

The ACD applies a 4% Initial Charge on investments into the following Funds:

Stewart Investors Asia Pacific Fund
Stewart Investors Global Emerging Markets Fund
Stewart Investors Global Emerging Markets Leaders Fund
Stewart Investors Latin America Fund

On these Funds the Initial Charge is applicable to investments made into Class A Shares and Class B Shares and applies to all lump sum investments, new regular investments and ISA transfers. The ACD may at its discretion waive and re-impose the Initial Charge on these Funds from time to time. For further information, please refer to the document entitled "Soft closure of selected funds" on the ACD's website at www.firststateinvestments.com.

9.3.5. **Redemption Charge**

The ACD may make a charge on the redemption of Shares ("Redemption Charge"). At present no Redemption Charge is levied on any Class of Share. Investors should note that this may also be referred to as the "exit charge". Shares issued while this Prospectus is in force will not be subject to any Redemption Charge in the future.

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

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

9.3.6. **Switching Fee**

The Instrument of Incorporation authorises the Company to impose a switching fee on the switching of Shares between Funds ("Switching Fee"). The ability to impose a Switching Fee is exercisable by the ACD at its discretion. The Switching Fee is payable to the ACD.

In general, for switches between the same Class of Share in different Funds the Switching Fee will, at the ACD's discretion, be 0.5% of the value of the Shares being switched.

However, for switches into the Funds listed below the Switching Fee will, at the ACD's discretion, be 4% of the value of the Shares being switched.

Stewart Investors Asia Pacific Fund
Stewart Investors Global Emerging Markets Fund
Stewart Investors Global Emerging Markets Leaders Fund
Stewart Investors Latin America Fund

The Switching Fee for switching Shares in one Class of a Fund for Shares in another Class of the same Fund may be up to 1% of the value of the Shares being switched.

#### 9.3.7. **Performance Fee**

The ACD reserves the right to levy a performance fee in relation to a particular Fund or Class of Shares in the future in accordance with the Regulations and the COLL Sourcebook and as described below (the "Performance Fee"). No Performance Fee is charged to the Funds.

### 9.4. Additional information on charges and costs

#### 9.4.1. **Increases in charges**

The ACD may only introduce a new category of remuneration for its services or increase the amount of its remuneration payable out of the Scheme Property in accordance with the Regulations and the COLL Sourcebook.

Any increase in the Initial Charge, Redemption Charge or Switching Fee deemed by the ACD to be significant (rather than fundamental) may be made by the ACD after giving 60 days' written notice to Shareholders. A fundamental change in the Initial Charge, Redemption Charge or Switching Fee may only be made after Shareholder approval has been obtained.

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

Changes made to the Company are treated as fundamental, significant or notifiable by the ACD in accordance with the FCA Rules. A full explanation of these terms can be found in COLL 4.3 "Approvals and notifications" on the FCA website http://fshandbook.info/FS/html/FCA/COLL.

#### 9.4.2. **Potential expenses payable to the Depositary**

Any increase in the Depositary's remuneration, or the introduction of further categories of expenses which the Depositary will be entitled to recover, may be made by the ACD, in accordance with the COLL Sourcebook. If such an increase or introduction is deemed by the ACD to be significant then this may be made by the ACD after giving 60 days' written notice to Shareholders. If deemed by the ACD to be a fundamental change it would require the approval of Shareholders.

#### 9.4.3. **Costs and expenses relating to the establishment of a new Fund**

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

### 9.4.4. **Acquiring units in a Second Scheme**

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

### 9.4.5. **Expenses not specific to a particular Fund**

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

### 9.4.6. **Other charges not paid by the investor**

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

### 9.4.7. **Pricing policy note**

The Company operates a single price methodology for the Funds and reserves the right to adjust the price of Shares in a particular Fund (known as dilution adjustment) to protect existing investors from the costs of buying or selling investments that result from other investors joining or leaving the Fund. The amount of any such adjustments is calculated by reference to the estimated costs of dealing in the underlying investments, including any dealing spreads and Broker Commissions.

A dilution adjustment may not need to be made on every dealing day. Although it is not possible to predict accurately whether a dilution adjustment will occur, for illustrative purposes, the Section 7.10.1. headed “Dilution adjustment” details the maximum dilution adjustment for each Fund, and the number of days on which an adjustment was made for the Fund during the period.

## 10.0 TAXATION

### 10.1. General

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

### 10.2. The Company

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

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

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

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Fund or the counterparty to a transaction involving a Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. Where foreign tax has been suffered on income from overseas sources, that tax can in some instances be offset against UK corporation tax payable by the relevant Fund by way of double tax relief.

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

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

Gains realised upon sale, redemption or other disposal of interests in "offshore funds" (as defined by Part 8 of the Taxation (International and Other Provisions) Act 2010 which are not reporting funds for UK tax purposes and which are not specifically excluded are charged to tax as income and not as a capital gain. The Funds are accordingly not exempt from tax on such gains. Shareholders may not receive credit for tax on offshore income gains. To the extent that the Funds invest in reporting funds or funds that are treated as such, there may be an annual amount of reportable income from the reporting funds which will be recognised within the distributable income of the Funds regardless of whether the income is received by the Fund or not.

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

## 10.3. Shareholders

### 10.3.1. **Income**

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

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

## 10.4. Shareholders within the charge to UK income tax

### 10.4.1. **Dividend distributions**

An individual Shareholder who is resident for tax purposes in the United Kingdom is entitled to a dividend distribution or deemed distribution made by a Fund after deducting any equalisation payment and is subject to income tax on the aggregate of the dividend distribution (the "gross dividend"). A dividend tax allowance of £5,000 (tax year 2017-18) a year is available where Shareholders receive the first £5,000 of dividend income free from income tax. Shareholders in receipt of dividends in excess of this amount will be liable to UK income tax at the basic, higher or the additional rate and must account to HM Revenue & Customs for any further tax due on the gross dividend.

Dividend distributions up until 5 April 2016 bore a dividend tax credit for United Kingdom individuals. Since 6 April 2016, dividend distributions made or treated as made by each Fund are not subject to United Kingdom withholding tax.

10.4.2. **Interest distributions**

With effect from 6 April 2017, the requirement to deduct basic rate tax from interest distributions has been abolished and distributions will be subject to tax where they exceed the Personal Savings Allowance. From April 2016, a Personal Savings Allowance has been introduced to exempt from tax the first £1,000 of savings income for basic rate taxpayers and the first £500 for higher rate taxpayers. This allowance is not available for additional rate taxpayers. Broadly, this means that basic rate tax payers are able to receive up to £1,000 of savings income, £500 for higher rate tax payers, without any tax being due. Any basic or higher rate taxpayers receiving savings income above these levels, and all additional rate taxpayers, may be required to complete a self-assessment tax return and must account to HM Revenue & Customs for any further tax due on the interest distribution.

**10.5. Shareholders within the charge to UK corporation tax**

10.5.1. **Dividend distributions**

Shareholders within the charge to UK corporation tax receive dividend distributions 'streamed' into franked and un-franked income depending on the underlying income of the Fund, if any, which has been subject to UK corporation tax. The franked stream is treated as franked investment income in the hands of the corporate Shareholder. The un-franked stream is treated as an annual payment from which income tax at the basic rate of 20% is deemed to have been deducted, the gross amount of which will be chargeable to corporation tax.

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

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

10.5.2. **Interest distributions**

With effect from 6 April 2017, the requirement to deduct basic rate tax from interest distributions has been abolished. Corporate Shareholders will, depending on their circumstances, be subject to United Kingdom corporation tax on the interest distribution received.

### 10.6. Corporate debt tax regime

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

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

### 10.7. Income equalisation

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

### 10.8. Tax on chargeable gains

Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, if a company, corporation tax in respect of gains arising from the sale, transfer or other disposal of Shares. It should be noted that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and will for persons subject to United Kingdom taxation be a realisation for the purposes of capital gains taxation. A switch of Shares between different Classes in the same Fund may constitute a disposal for the purposes of capital gains taxation depending on the circumstances. In particular, where the Classes do not have the same rights to income and capital, for example where a Class is hedged, a switch may give rise to a liability to capital gains tax or corporation tax on chargeable gains.

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

Individuals are only liable to capital gains tax if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption (£11,300 for the 2017/2018 tax year). Individual Shareholders who are basic rate income taxpayers will be liable to tax at 10% on any gains net of capital losses in excess of the annual exemption. Individual shareholders who are higher rate or additional rate income taxpayers will be liable to tax at 20% on any gains net of capital losses in excess of the annual exemption. Individual Shareholders will find further information, in the HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

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

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

### 10.9. Non-taxpayers

Non-United Kingdom resident shareholders will generally not be charged to United Kingdom tax on dividend distributions (unless they are carrying on a trade in the United Kingdom through a permanent establishment).

Where Shares are held within an ISA, this income is tax free.

#### 10.9.1. **Dividend distributions**

No tax is applied to the dividend distributions by the Company and non-taxpayers are subject to tax in accordance with their domestic tax regime.

#### 10.9.2 **Interest distributions**

With effect from 6 April 2017, the requirement to deduct basic rate tax from interest distributions has been abolished.

### 10.10. The Foreign Account Tax Compliance Act and similar measures

Shareholders and applicants should be aware that under certain provisions of the US Hiring Incentives to Restore Employment Act and US Treasury Regulations made thereunder (together, as amended from time to time, "FATCA"), a 30% withholding tax (a "FATCA Deduction") may be imposed on certain payments made to the Funds of US source income (including dividends and interest) (from 1 July 2014) and gross proceeds from the sale or other disposal of property that could give rise to US source interest or dividends (from 1 January 2019) unless the Company and/or Funds comply with FATCA. It is the intention of the ACD for the Company and the Funds to so comply. To comply, the Company will be required to, amongst other things, annually report information relating to the identity of "Specified US Persons" (generally persons who are US taxpayers) who hold, directly or indirectly, interests in the Funds and details relating to their holdings to HM Revenue & Customs ("HMRC"), who will in turn automatically exchange this information with the US Internal Revenue Service ("IRS"), pursuant to the requirements of the Intergovernmental Agreement ("IGA") between the United States and the United Kingdom in connection with the implementation of FATCA (the "US-UK IGA") and related UK implementing legislation.

Under the terms of the current US-UK IGA, the Company and/or the Funds will not be required to make withholdings of tax on payments made to Shareholders or to close recalcitrant accounts. However, in circumstances where it is identified that Shares are held directly or indirectly by Specified US Persons for FATCA reporting purposes, the ACD at its discretion may choose to redeem the Shareholder's interest in any of the Funds or require such Shareholder to transfer such interest to a person who is not a Specified US Person and/or beneficially owned/controlled by any Specified US Persons and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder. The application of the withholding rules and the information that may be required to be reported may be subject to change.

The United Kingdom has also entered into IGAs with a number of other jurisdictions (including reciprocal agreements with the British Crown Dependencies and Gibraltar), pursuant to a regime known as “UK FATCA”, which impose similar requirements to the US-UK IGA. UK financial institutions such as the Company therefore have due diligence and (from 2016) annual reporting obligations in relation to interests in the Funds held directly or indirectly by “Specified Jersey Persons”, “Specified Guernsey Persons”, “Specified Isle of Man Persons” and “Specified Gibraltar Persons” (as defined in the relevant IGAs). In particular, the Company may be required to disclose the name, address, identification and investment information relating to such persons to HM Revenue & Customs, who may in turn exchange this information with the tax authorities in the British Crown Dependencies and Gibraltar.

It should be noted that a number of jurisdictions have entered into or are committed to entering into IGAs for the automatic cross-border exchange of tax information on a bilateral or multilateral basis, similar to the US-UK IGA and the IGAs entered into by the UK, including under a regime known as the OECD Common Reporting Standard (“CRS”). The United Kingdom became a signatory to the OECD Multilateral Convention in respect of the CRS with various jurisdictions in October 2014 and may sign further similar agreements in future. The United Kingdom has committed, along with around 50 other countries, to the early implementation of the CRS, with the first reporting year being 2016 and the reporting obligations commencing in 2017. The United Kingdom has passed legislation to give effect to the CRS, which will require UK “Financial Institutions”, including the Company and/or the Funds, to identify specified persons in the jurisdictions that are implementing the CRS, and to report related information to HMRC (for automatic exchange with the relevant tax authorities in such jurisdictions) in order to avoid the imposition of financial penalties or other sanctions. Under these measures, the Company may be required to report information relating to Shareholders and related persons, including their identity and residence, and the income, sale or redemption proceeds received by Shareholders in respect of the Shares.

While the Company intends to satisfy its obligations under FATCA, UK FATCA, the CRS and the associated implementing legislation in the UK to avoid the imposition of any FATCA Deductions and/or financial penalties and other sanctions, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations in relation to the Funds.

The ACD reserves the right to require any additional documentation or information from Shareholders and applicants for the purposes of complying with its obligations under FATCA, UK FATCA, the CRS and any similar automatic exchange of tax information regimes. By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate. If a Shareholder, or any related party, causes the Company and/or Funds to suffer a FATCA Deduction or other financial penalty, cost, expense or liability, or the Company or a Fund is required to make a FATCA Deduction from such Shareholder, whether as a result of the non-provision of such documentation or information or otherwise, this may result in mandatory redemption or transfer of Shares or such other appropriate action permitted to be taken by the ACD. Shareholders refusing to provide the requisite information or documentation to the ACD may also be reported to HM Revenue & Customs and that information exchanged with other overseas tax authorities.

Each prospective investor should consult its own tax advisers on the requirements applicable to it under the FATCA, UK FATCA and CRS regimes.

Shareholders and applicants are also recommended to check with their distributors and custodians as to their intention to comply with FATCA.

### 10.11. Other local tax authority requirements

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

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

### 10.12. Withholdings and deductions

The Company may be required to withhold parts of certain payments to certain Shareholders as required by local laws, regulations or contractual obligations with other jurisdictions' tax authorities.

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

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

### 10.13. Stamp duty reserve tax

#### 10.13.1. **General**

From 30 March 2014, no SDRT is charged when Shareholders surrender or redeem Shares, with the exception of where a Shareholder receives a non-pro rata in specie surrender or redemption resulting in a transfer of underlying assets. In this instance, the SDRT will be a liability of the recipient of the underlying assets.

### 10.14. Tax Information for German Investors - Application of the German Investment Tax Act

As from 1 January 2018, an amended version of the German Investment Tax Act (the "New InvTA") applies as a result of the German Investment Tax Reform Act (Investmentsteuerreformgesetz). The New InvTA provides the major change that a general opaque taxation regime for all types of investment funds will be introduced.

The following earnings of an opaque investment fund such as the respective Fund will be taxable at the level of German Investors (so-called "Investment Income"):

- distributions, including dividends and repayments of contributed capital, from the Fund, i.e. any payments which the German Investor receives from the Fund without a disposal (i.e. redemption or sale) of the Shares;
- the so-called "lump-sum taxation amount"; and
- capital gains from the disposal (i.e. redemption or sale) of the Shares.

The lump-sum taxation amount will be attributed to German Investors as deemed taxable income on an annual basis as of 1 January. The lump-sum taxation amount is determined by calculating the minimum base income being (x) the redemption price (or alternatively stock exchange price or market price, with the latter expected to apply in the case of the respective Fund per Share at the beginning of the year multiplied by (y) the so-called base interest rate (Basiszins) as determined by the German Valuation Tax Act (as of 1 January 2016: 0.52% p.a.) multiplied by (z) 70%. However, such minimum base income will be capped by reference to the sum of (i) the actual increase of the redemption price of a Share during the year and (ii) the actual annual distributions (being the maximum base income). The lower positive value of the minimum base income and the maximum base income, as determined in the manner set out above, is then reduced by the actual annual distributions of the investment fund (i.e. the respective Fund) and the result is the lump-sum taxation amount.

With regard to the taxation of German investors, such Investment Income will be taxed at the German flat rate tax of 25% (plus solidarity surcharge and church tax, if applicable) in the case of German Investors holding the Shares as private assets (Private Investors) or at the personal income tax rate or corporate income tax rate and, where applicable, trade tax in the case of German Investors holding their Shares as business assets (Business Investors). However, the New InvTA provides for specific partial tax exemptions for the benefit of German Investors in case of certain preferential fund regimes.

In relation to the Funds the preferential fund regimes of a so-called "Equity Fund" and a so-called "Mixed Fund" could be considered.

In case of an Equity Fund (i) Private Investors benefit from a 30% tax exemption on Investment Income, and (ii) Institutional Investors benefit from a 80% tax exemption for German corporation tax and 40% tax exemption for German trade tax purposes.

In case of Mixed Funds 50% of such tax exemption rates are applied (i.e. 15% in case of (i) above and in case of (ii) above 40% for German corporation tax purposes and 20% for trade tax purposes).

The respective partial tax exemption applies with regard to any Investment Income.

However, these partial tax exemptions with regard to Equity Funds and Mixed Funds do not apply to life and health insurance companies if the Shares are allocated to their capital investments (Kapitalanlagen) or to credit or financial service institutions or finance companies if the Shares are allocated to their trading investments (Handelsbuch) or are acquired with the intention to realise a short-term profit.

"Equity Funds" are defined as funds, which according to their investment conditions invest continuously more than 50% of their total asset value in "Equity Participations".

“Mixed Funds” are defined as funds, which according to their investment conditions invest continuously at least 25% of their NAV or their total asset value in “Equity Participations”.

In this respect, “Equity Participations” are currently defined as:

- shares of a corporation, which are admitted to official trading at an exchange or an organized market
- shares in a corporation, which does not qualify as a “real estate company” for German purposes and which (i) either is resident in a EU member state or an EEA state and there is subject to corporate income tax and is not exempted from such tax or (ii) is resident in a third country and is subject to corporate income taxation at a rate of at least 15% and is not exempted from such tax
- to the extent of 51% of the value of a fund unit an interest in another Equity Fund
- to the extent of 25% of the value of a fund unit an interest in another Mixed Fund.

According to the New InvTA - with the exception of investments in units in Equity Funds or Mixed Funds (as set out above) - other shares in investment funds (i.e. UCITS and AIFs, which fall under the scope of the InvTA) do not qualify as “Equity Participations”. However, it should be noted that very specific rules apply in relation to the determination of the applicable “Equity Participation” ratio in case of investments of funds of funds in other target funds.

With regard to the qualification of the respective Funds under the New InvTA, the Funds should qualify for the new opaque tax regime with the above-mentioned result that distributions from the respective Fund, the lump-sum taxation amount and capital gains from the disposal of Shares would be taxable at the level of the German Investors.

Please see Section 10.15 below for the list of Funds which invest continuously more than 50% of their net asset value into equity participations (as per section 2(8) of the New InvTA).

The calculation of the equity quota will be based on the net asset value of the Funds according to section 2(9a) sentence 2 and 3 of the InvTA, i.e. for purposes of calculating the equity quota on the basis of the NAV the value of the equity participations will be reduced by the loans proportionally to the value of the equity participations in relation to the gross assets of the Funds.

In case of investments in target funds, the Funds will for purposes of calculating their equity quota consider the actual equity quotas of the target funds published on each valuation day of the target funds, provided that a valuation takes place at least once a week.

Further, German Investors may note that even if the respective investment conditions of a Fund do not contain any wording regarding the compliance with the relevant investment restrictions, then in accordance with the New InvTA upon application of a German Investor the partial tax exemptions of an Equity Fund or a Mixed Fund have to be applied within the individual assessment procedure of a German Investor, if in reality the respective Fund has permanently exceeded the required Equity Participation ratio. According to a decree issued by the German tax administration in particular an inventory of assets or a list of assets and/or written confirmations of the fund manager would be suitable in order to provide the required form of evidence.

German Investors should seek independent professional advice whether the partial tax exemption for Equity Funds or Mixed Funds could apply in their individual case in the respective calendar year.

Please note that this information is not exhaustive. No comment is made on the specific matters that must be taken into account in individual cases, and no specific statements can be made on the taxation of individual unitholders. Given the complexity of German tax law and especially the recently introduced New InvTA, unitholders and potential investors are strongly advised to consult their own tax advisor.

## 10.15 German Investment Tax Act

The following Funds will invest continuously more than 50% of the net asset value into equity participations (as per section 2(8) of the German Investment Tax Act):

First State All China Fund
First State Asia All-Cap Fund
First State Asia Focus Fund
First State Global Emerging Markets Focus Fund
First State Global Listed Infrastructure Fund
First State Greater China Growth Fund
First State Indian Subcontinent All-Cap Fund
First State Japan Focus Fund
Stewart Investors Asia Pacific Fund
Stewart Investors Asia Pacific Leaders Fund
Stewart Investors Asia Pacific Sustainability Fund
Stewart Investors Global Emerging Markets Fund
Stewart Investors Global Emerging Markets Leaders Fund
Stewart Investors Global Emerging Markets Sustainability Fund
Stewart Investors Indian Subcontinent Sustainability Fund*
Stewart Investors Latin America Fund
Stewart Investors Worldwide Equity Fund
Stewart Investors Worldwide Select Fund**
Stewart Investors Worldwide Sustainability Fund

* The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019

** The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

## 11.0 MANAGEMENT AND ADMINISTRATION

### 11.1. Regulatory status

The ACD, the Fund Administrator and the Investment Manager are authorised and regulated by the FCA of 12 Endeavour Square, London, E20 1JN. The Depositary and the Custodian, The Bank of New York Mellon (International) Limited, is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### 11.2. Authorised Corporate Director

The ACD of the Company is First State Investments (UK) Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985 on 12 September 1988. The ACD also trades under the name of Stewart Investors.

Duties and responsibilities of the ACD include investment management, accounting and valuation of the Funds.

#### 11.2.1. **Share capital**

The share capital of the ACD is as follows:

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

#### 11.2.2. **Ultimate holding company**

On 2 August 2019, Mitsubishi UFJ Financial Group, Inc.'s (MUFG) trust banking entity, Mitsubishi UFJ Trust and Banking Corporation (MUTB) completed the acquisition of First State Investments (as it is known outside of Australia) / First Sentier Investors. The MUFG group is headquartered in Tokyo and with over 360 years of history, MUFG group has a global network with over 1,800 locations in more than 50 countries.

The ACD's ultimate holding company is MUFG which is incorporated in Japan.

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

#### 11.2.3. **Terms of appointment:**

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

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

From time to time the ACD may hold Shares in the Company as principal. However, such Shares are held by the ACD to facilitate the efficient management of the Company and the ACD does not actively seek to make profit from holding Shares as principal.

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

The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or reissue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out on in the section entitled “Fees and expenses” and Section 16.0. Appendix III.

11.2.4. **Remuneration policy of the ACD**

Under the UCITS V Directive, the ACD must establish and apply remuneration policies and practices that are consistent with and promote sound and effective risk management. Variable remuneration paid by the ACD to certain identified senior staff, risk-takers and employees whose professional activities have a material impact on the risk profile of the Company must be structured so as to align the interests of those staff with the interests of Shareholders. Remuneration for affected ACD staff is, in summary, made up of fixed pay (i.e. salary and benefits) and performance related pay (short and long-term incentives). The annual incentive earned by an individual is dependent on the achievement of financial and non-financial objectives, including adherence to effective risk management. The up-to-date details of the remuneration policy of the ACD, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available from the ACD’s website: www.firststateinvestments.com and a paper copy will be made available on request of Shareholders free of charge.

11.2.5. **Available information**

In accordance with the FCA Rules, information about the ACD’s policies and arrangements and how they are reviewed, and information about entities where orders are transmitted or placed for execution, will be provided upon request to the ACD.

11.2.6. **Directors of the ACD**

Below are details of the Directors of the ACD:

**<u>Frank Johnson (Non-Executive Director)</u>**

Mr Johnson is currently an independent non-executive director at GO Investment Partners LLP, a non-executive director of the Pensions and Lifetime Savings Association (**PLSA**) (previously known as the National Association of Pension Funds or NAPF) and a member and previous Chairman of the PLSA’s Defined Benefit Council. He is also a non-executive director of the Railway Benefit Fund, a registered charity.

As an independent, non-executive director, of the ACD, Mr Johnson is responsible for ensuring effective governance and oversight. In this role, he challenges the Board of the ACD and provides independent thinking on matters such as strategy and business development.

Prior to his retirement in 2015, Mr Johnson was the Managing Director, Investments at Railway Pension Investments Ltd, responsible for the management and strategic direction of the assets of the Railways Pension Trustee Company. Prior to this, he held a number of financial director roles in the transport industry.

Mr Johnson began his career at Price Waterhouse in London, where he held a variety of audit, advisory and senior management roles.

Mr Johnson holds a commerce degree from the University of Birmingham and is a chartered accountant.

Mr Johnson is UK resident.

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

Mr Wastcoat is currently a non-executive director of Marstone Inc., an enterprise financial technology company focused on wealth management. He is also a non-executive director of ProcessUnity, a leading provider of cloud-based applications for risk management and service delivery management, headquartered outside Boston, Massachusetts.

As an independent, non-executive director of the ACD, Mr Wastcoat is responsible for ensuring effective governance and oversight. In this role, he challenges the Board of the ACD and provides independent thinking on matters such as strategy and business development.

From 1999 until his retirement in 2008, Mr Wastcoat was chief executive of Fidelity's UK mutual fund business, while also overseeing, at various times, its business activities in Spain, the Nordic Region, the Middle East, Africa and India. During his twenty five year career at Fidelity, he held several senior management positions in Europe and Asia, and was based in Hong Kong for seven years.

Mr Wastcoat holds a BS in Business Administration from Lehigh University in Bethlehem, Pennsylvania.

Mr Wastcoat is UK resident.

**Vicky Kubitscheck (Non-Executive Director)**

Ms Kubitscheck is currently a non-executive director and Chair of the Risk Committee at Hampden & Co plc, a new private Bank established to provide traditional personal banking for ultra/high net worth clients in a modern setting. She is also an Independent Advisor specialising in governance and risk management in a regulated environment.

Ms Kubitscheck joined the ACD Board in July 2018 as an independent, non-executive director, responsible for ensuring effective governance and oversight. In this role, she challenges the Board of the ACD and provides independent thinking on matters such as strategy and business development.

Ms Kubitscheck was, until 2017, an Executive Member and the Chief Risk Officer at Police Mutual Group, responsible for steering the strategic development of its risk and regulatory management in a rapidly expanding business. Prior to this, Ms Kubitscheck held similar roles at AEGON UK and AXA UK, with a broad strategic brief, responsible for establishing, leading and directing the three key control functions at the height of regulatory developments.

Ms Kubitscheck holds a BSc in Maths and Management from London University and is a Fellow of the Chartered Institute of Internal Auditors.

Ms Kubitscheck is UK resident.

**Chris Turpin, Regional Managing Director (FSI EMEA)**

Mr Turpin is currently the Regional Managing Director for FSI in EMEA. In this role he is responsible for all aspects of the business across the Region.

Mr Turpin also has global leadership responsibility for FSI's Product Management & Development, Marketing & Communications and Responsible Investment activities across Australia, Asia, EMEA and North America.

Mr Turpin sits on the board of directors of each of FSI's main operating entities in EMEA, Singapore and Hong Kong and of many of FSI's collective investment schemes globally.

Prior to joining FSI in September 2003, Mr Turpin was a Director of Product Management at Northern Trust Asset Management, having commenced his career at Price Waterhouse in London, specialising in the investment management industry.

Mr Turpin holds an MA (Hons) from the University of Edinburgh. He is an Associate of the UK Society of Investment Professionals ("**ASIP**"), a Regular Member of the Chartered Financial Analyst Institute ("**CFI**") and a Chartered Alternative Investment Analyst ("**CAIA**").

Mr Turpin is UK resident.

**Adrian Hilderly, Head of FSI Ireland**

Mr Hilderly is currently Head of FSI Ireland, and sits on the board of directors of certain of FSI's operating entities and collective investment schemes in EMEA.

Prior to this, Mr Hilderly was EMEA Head of Risk and Compliance for over six years, responsible for overseeing the regulatory, operational risk and investment compliance activities within the region.

Prior to joining FSI in June 2012, Mr Hilderly was co-head of Compliance Advisory at Blackrock, and has worked throughout the investment management industry.

Mr Hilderly is a Fellow of the Chartered Insurance Institute.

### 11.3. Notice provisions

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

## 11.4. Complaints

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

## 11.5. Exercise of voting rights

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

## 11.6. Changes to the Company or the Funds

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

## 11.7. Protection of client money

Where we settle purchases by issuing Shares and putting your name on the Company's register of Shareholders before we receive your payment we will not be required to treat money we receive from you as client money because the money you paid will be immediately due and payable to the Company. However if we exercise our discretion to delay issuing Shares until payment is received from you then we will settle with you on a delivery versus payment basis in accordance with the FCA Rules and will not be required to treat your payment for the Shares as client money. Where we settle redemptions of Shares with you we will also settle with you on a delivery versus payment basis under the FCA Rules and will not be required to treat the money pending payment to you for redemption of your Shares as client money.

You agree to us not treating your money as client money as described above provided that we settle with you within the time frames required by the FCA rules. This means we must settle with you by the close of business on the next business day following our receipt of the money. If for any reason we have not paid redemption money to you or purchase money to the Company for your Shares within this time frame then the money we receive from you or hold for return to you will be treated as client money as set out below.

Any money which is held on your behalf as client money under the FCA Rules will be deposited in a segregated non-interest bearing client money bank account. This client money bank account will be separate to any account used to hold money belonging to First State

Investments (UK) Limited in its own right. All client money accounts are opened with an appropriate bank or banks in accordance with the FCA's client money rules.

If the bank where your money is held becomes insolvent, First State Investments (UK) Limited will have a claim on behalf of its clients against the bank. If however the bank cannot repay all of its creditors, any shortfall may have to be shared pro rata between them. In addition you may be entitled to recover compensation from the Financial Services Compensation Scheme; however the availability of compensation depends on the type of business being conducted. Further information about compensation arrangements is available from the FSCS (www.fscs.org.uk).

Neither the Company nor the ACD will be responsible for the actions or omissions of or any losses caused by the bank or banks with which we hold client money. Our liability for such actions and omissions and such losses is excluded to the maximum extent permitted by law or regulation.

## 11.8. The Depositary

The Depositary of the Company is The Bank of New York Mellon (International) Limited, a private limited company incorporated in England & Wales on 9 August 1996.

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the provisions of the COLL Sourcebook, this Prospectus and the Instrument of Incorporation in each case relating to the investment and borrowing powers, the valuation, pricing of, and dealing in, Shares and relating to the income of the Funds. The Depositary is independent from the ACD and is responsible for acting solely in the interest of the Shareholders. The Depositary acts as global custodian and may delegate safekeeping (such delegation may include the powers of sub-delegation). The appointment of the Depositary has been made under an agreement dated 1 August 2017 between the ACD, the Company and the Depositary (the "Depositary Agreement").

### 11.8.1. Principal business activity

The principal business activity of the Depositary is the provision of custodial, banking and related financial services.

### 11.8.2. Ultimate holding company

The ultimate holding company of the Depositary is The Bank of New York Mellon Corporation, a public company incorporated in the United States. The Bank of New York Mellon (International) Limited is a wholly-owned subsidiary of International Financial Corporation, an intermediary holding company with investments in banking and non-banking entities. International Financial Corporation is a wholly-owned US-regulated subsidiary of The Bank of New York Mellon Corporation, the main banking entity. International Financial Corporation has no direct operational activities.

### 11.8.3. Terms of appointment

The Depositary provides its services under the terms of the Depositary Agreement which may be terminated by ninety days prior written notice given by either party, although in certain circumstances the Depositary Agreement may be terminated forthwith by notice in writing by one party to the other. However, the appointment of the Depositary may not terminate unless and until a successor depositary is appointed.

### 11.8.4. **Depositary's functions**

The Depositary has been entrusted with the following main functions:

a. ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law, the Instrument of Incorporation and the Prospectus.
b. ensuring that the value of the Shares is calculated in accordance with applicable law, the Instrument of Incorporation and the Prospectus.
c. carrying out the instructions of the Investment Manager unless they conflict with applicable law, the Instrument of Incorporation or the Prospectus.
d. ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
e. ensuring that the income of the Company is applied in accordance with applicable law, the Instrument of Incorporation and the Prospectus.
f. monitoring of the Company's cash and cash flows.
g. safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### 11.8.5. **Depositary's liability**

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation ((EU) 2016/438), the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations in relation to the services under the Depositary Agreement. Indirect and/or consequential damages are excluded.

### 11.8.6. **Delegation**

The Depositary may delegate to any third parties any of the functions of the Depositary under the Depositary Agreement but may not delegate to third parties its oversight or cash monitoring functions under the UCITS Directive. The Depositary may delegate to third parties its safe-keeping functions provided that the requirements under the UCITS Directive are complied with. The Depositary has delegated the safe-keeping of Scheme Property to the Global Sub-Custodian. The Global Sub-Custodian may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates. The Global Sub-Custodian (and any sub-delegate) will be required to segregate the Scheme Property held by it in custody from its own assets and from the assets of the Depositary in such a way that the Scheme Property can, at any time, be clearly identified as belonging to the Company. The Depositary's liability will not be affected by the fact that it has delegated the safe-keeping of Scheme Property.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Section 19.0. Appendix VI.

Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review.

11.8.7. **Conflicts of interest**

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. For the purposes of this section, the following definitions shall apply:

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

The following conflicts of interests exist between the Depositary, the Company and the ACD:

- A Group Link where the ACD has delegated certain administrative functions to an entity within the same corporate group as the Depositary.

- A Group Link where the ACD has delegated certain administrative functions to an entity within the same corporate group as the Custodian.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link(s) and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

To the extent that a Link exists between the Depositary and any Shareholders in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with the UCITS Directive.

### 11.9. Delegation

The following conflicts of interests exist as a result of the delegation arrangements relating to safekeeping outlined above:

- A Group Link where the Depositary has delegated the safekeeping of the Scheme Property to an entity within the same corporate group as the Depositary.

- A Group Link where the safekeeping of the Scheme Property has been sub-delegated to an entity within the same corporate group as the Depositary.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link(s) and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-delegates, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-delegates to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available by the ACD to Shareholders on request.

### 11.10. The Custodian and Global Sub-Custodian

The Bank of New York Mellon (International) Limited has delegated the function of custody of the Scheme Property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon.

### 11.11. The Investment Manager

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

The Investment Manager is ultimately wholly-owned by MUFG.

Two investment teams are responsible for the portfolio management of the Funds as set out in the table below:

- First State Investments
- Stewart Investors

| Fund No. | Fund | First State Investments | Stewart Investors |
|---|---|---|---|
| 1. | First State All China Fund | X | |
| 2. | First State Asia All-Cap Fund | X | |
| 3. | First State Asia Focus Fund | X | |
| 4. | First State Asian Property Securities Fund | X | |
| 5. | First State Diversified Growth Fund | X | |
| 6. | First State Emerging Markets Bond Fund | X | |
| 7. | First State Global Emerging Markets Focus Fund | X | |
| 8. | First State Global Listed Infrastructure Fund | X | |
| 9. | First State Global Property Securities Fund | X | |
| 10. | First State Greater China Growth Fund | X | |
| 11. | First State Indian Subcontinent All-Cap Fund | X | |
| 12. | First State Japan Focus Fund | X | |
| 13. | Stewart Investors Asia Pacific Fund | | X |
| 14. | Stewart Investors Asia Pacific Leaders Fund | | X |
| 15. | Stewart Investors Asia Pacific Sustainability Fund | | X |
| 16. | Stewart Investors Global Emerging Markets Fund | | X |
| 17. | Stewart Investors Global Emerging Markets Leaders Fund | | X |
| 18. | Stewart Investors Global Emerging Markets Sustainability Fund | | X |
| 19. | Stewart Investors Indian Subcontinent Fund* | | X |
| 20. | Stewart Investors Latin America Fund | | X |
| 21. | Stewart Investors Worldwide Equity Fund | | X |
| 22. | Stewart Investors Worldwide Leaders Fund** | | X |
| 23. | Stewart Investors Worldwide Sustainability Fund | | X |

* The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

** The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

The Investment Manager is appointed under an investment management agreement dated 24 January 2014, as may be amended by agreement from time to time (the "Investment Management Agreement").

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

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

The Investment Manager has full power and authority under the Investment Management Agreement to delegate any and all of its discretions and powers under the Investment Management Agreement to any other person (each being referred to as a "Sub-Investment Manager"), provided that the Investment Manager shall remain fully responsible to the ACD for the acts and omissions of any such person. Such delegation is subject to the approval of the ACD. In this regard, the Investment Manager shall only appoint Sub-Investment Managers from the list set out below:

a. First State Investments (Hong Kong) Limited (FSIHK), a company registered in Hong Kong;

b. First State Investments (Singapore) (FSIS), a company registered in Singapore;

c. First Sentier Investors (Australia) IM Ltd (FSIA), a company registered in Australia;

d. First State Investments (US) LLC (FSIUS), a company registered in the United States of America.

The Sub-Investment Managers are ultimately wholly-owned by MUFG.

Details of the agreement between the Investment Manager and the Sub-Investment Managers are set out in the Section 5.7. headed "Material Contracts".

The Sub-Investment Managers are not authorised by the FCA. Each of FSIA, FSIHK, FSIS and FSIUS are associates of the Investment Manager and the ACD. The agreement with the Sub-Investment Managers may be terminated on not less than 30 days' notice and the Sub-Investment Managers will be liable to the Investment Manager for loss arising from negligence, fraud or dishonesty of the Sub-Investment Manager or its officers.

Any Sub-Investment Manager may, subject to certain conditions including the prior written approval of the Investment Manager, sub-contract the performance of services to any other person, and shall remain liable for the performance of any sub-contractor.

Further information concerning the Sub-Investment Managers and any delegates thereof will be provided by the Company upon request. Details of these appointments and any changes thereto shall be disclosed in the periodic reports of the Company.

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

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

The Investment Manager is authorised and regulated by the FCA.

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

### 11.12. Fund Administrator and Registrar

The ACD has appointed The Bank of New York Mellon (International) Limited to act as registrar to the Company and to provide certain fund administration services including:

a. Transfer Agency, Investor Servicing & associated services;

b. Pricing and Valuation services; and

c. Financial reporting services.

The Bank of New York Mellon (International) Limited is appointed as Registrar and Fund Administrator by an agreement with a service commencement date of 28 February 2014 with the ACD and one of its group companies, First State Investment Services (UK) Limited ("Services Agreement").

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

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

### 11.13. The Auditor

The auditors of the Company are PricewaterhouseCoopers LLP.

### 11.14. Legal advisers

The Company is advised by Simmons & Simmons LLP.

### 11.15. Register of Shareholders

The Register of Shareholders is maintained by the Registrar at 2 Festival Square, Edinburgh, EH3 9SU and may be inspected during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

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

### 11.16. Conflicts of interest

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

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in an appropriate format.

### 11.17. Inducements

Subject at all times to the ACD complying with all laws and regulatory requirements applicable to it, the ACD may pay fees, commissions or non-monetary benefits to third parties such as distributors and/or other intermediaries. If certain Classes of Shares are purchased through an authorised intermediary, the ACD or any such person authorised on its behalf may, at its discretion, pay initial or trail commissions to that intermediary.

The ACD may, at its discretion, waive any Initial Charge in whole or in part and, subject at all times to the ACD complying with all laws and regulatory requirements applicable to it, the ACD or any such person authorised on its behalf may, at its discretion, agree and pay rebates in respect of the Annual Management Charge to Shareholders in respect of holdings in certain Funds (including Shareholders that hold those Shares as authorised intermediaries).

Save where the ACD executes orders or places orders with other entities for execution that relate to financial instruments for the Funds (see below), in the course of carrying on its collective portfolio management activities generally and subject at all times to the ACD complying with all applicable laws and regulatory requirements, the ACD may receive fees, commissions or non-monetary benefits from third parties.

Where the ACD executes orders or places orders with other entities for execution that relate to financial instruments for the Funds, the ACD is not permitted to accept and retain from any third party (or a person on behalf of a third party) any fees, commissions or monetary benefits; or accept any non-monetary benefits (other than, subject at all times to the ACD complying with all applicable laws and regulatory requirements, certain acceptable minor non-monetary benefits and, in certain circumstances, research).

If the ACD receives any fees, commissions or any monetary benefits paid or provided by any third party (or a person on behalf of a third party) in relation to the services it provides to any or all of the Fund(s) it shall return such fees, commissions or any monetary benefits to such Fund(s) as soon a reasonably possible after receipt. Also, investors in the Fund(s) shall be informed about the fees, commissions or other monetary benefits transferred through the Company's annual report.

### 11.18. Delegation by the ACD

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

## 12.0 SHAREHOLDER MEETINGS AND VOTING RIGHTS

### 12.1. Annual General Meeting

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

### 12.2. Requisitions of meetings

The ACD may requisition a general meeting at any time.

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

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

### 12.3. Notice and quorum

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

### 12.4. Voting rights

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

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

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

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

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions. An associate in relation to any person is defined as an undertaking in the same group as that person, an appointed representative of the first person or of any undertaking in the same group and any other person whose business or domestic relationship with the first person or its associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealing with third parties.

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

### 12.5. Powers of a Shareholders' meeting

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

These matters include:

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

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

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

### 12.6. Class and Fund meetings

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

## 13.0 WINDING UP

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

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

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

a. an extraordinary resolution to that effect is passed by Shareholders; or

b. when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a Fund is to be wound up, including where the share capital of the Company is below its prescribed minimum or (in relation to any Fund) the Net Asset Value of the Fund is less than £5,000,000, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund; or

c. on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or the relevant Fund.

On the occurrence of any of the above:

a. Chapters 5 and 6.2 and 6.3 of the COLL Sourcebook relating to 'Investment and Borrowing Powers' and 'Dealing' and 'Valuations and Pricing' will cease to apply to the Company or the particular Fund;

b. The Company will cease to issue and cancel Shares in the Company or the particular Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;

c. No transfer of a Share shall be registered and no other change to the register will be made without the sanction of the ACD;

d. Where the Company is being wound-up, the Company will cease to carry on its business except in so far as it is beneficial for the winding up of the Company;

e. The corporate status and powers of the Company and, subject to the preceding provision of (a) and (d) above, the powers of the ACD will remain until the Company is dissolved.

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

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

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

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

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

## 14.0 APPENDIX I – ELIGIBLE MARKETS, SECOND SCHEMES, GLOBAL EXPOSURE & LEVERAGE AND SECURITIES FINANCING TRANSACTIONS REGULATION.

### 14.1 Eligible Markets

The eligible securities markets and eligible derivatives markets in which the Funds may invest are set out in Appendix IV. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may employ EPM techniques is set out in Appendix VI.

If any Fund intends to make use of financial derivative instruments for any purpose other than EPM or to hedge against market or currency risks, this will be specified in Appendix III "Investment Objectives and Policies".

### 14.2 Second Schemes

The investment policy of each Fund may be achieved through investment in Second Schemes to the extent permitted by the limits set out in Appendix VI. Paragraph 19.1.11. "Investment in Second Schemes".

### 14.3 Global exposure and leverage

Global Exposure will be measured using either the commitment approach or value-at-risk ("VaR") method.

The basis for the commitment approach is the conversion of derivatives into the equivalent position in the underlying assets of those derivatives and the quantification of Global Exposure as the sum of the absolute values of the Fund's commitments (taking into account netting and hedging arrangements). If the commitment approach is used, then the Global Exposure cannot exceed 200 % of the Net Asset Value of the Fund.

The VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. If absolute VaR is used, the absolute VaR calculates a Fund's VaR as a percentage of the Fund's Net Asset Value and is subject to an absolute VaR limit of 20% of its Net Asset Value. If relative VaR is used, the VaR of the Fund must not exceed twice the VaR on the reference portfolio. The VaR is calculated to a 99 per cent confidence level using a one month holding period, meaning there is a 1 per cent statistical chance that the fund will experience a loss over one month in excess of the calculated VaR. For additional information on each of the above methods of measuring leverage, please refer to Appendix VI, paragraph 19.1.15 "Global Risk Exposure".

In addition, for the Funds using the VaR approach, leverage will be calculated as the sum of the notionals of the derivatives used (the "Sum of Notionals Approach"). There are no limits on leverage but maximum expected leverage is disclosed in the relevant Funds Objectives and Polices in Appendix III. Shareholders should note that leverage may in certain circumstances exceed the maximum figure as set out in Appendix III.

## 14.4 Securities Financing Transactions Regulation

None of the Funds uses or currently intends to use repurchase transactions, securities or commodities lending or borrowing transactions, buy-sell back transactions, sell-buy back transactions, margin lending transactions or total return swaps. In the event that a Fund engages in such transactions, where permitted by its investment policy, the Prospectus will be updated accordingly.

## 15.0 APPENDIX II – FUNDS, BENCHMARKS, IA SECTORS AND INVESTOR RISK PROFILE

### 15.1. Funds, Benchmarks and IA Sectors

The table below sets out Benchmarks and IA Sectors for each Fund. The investment performance history for each of the available Funds is set out in Appendix III:

| Fund No | Fund | Benchmark (target, constraining, comparator) | IA Sector (target, constraining, comparator) |
|---|---|---|---|
| 1 | First State All China Fund | MSCI China All Shares Index (comparator) | China /Greater China Sector (comparator) |
| 2 | First State Asia All-Cap Fund | MSCI AC Asia Pacific ex Japan Index (comparator) | Asia Pacific Excluding Japan Sector (constraining) |
| 3 | First State Asia Focus Fund | MSCI AC Asia Pacific ex Japan Index (comparator) | Asia Pacific Excluding Japan Sector (constraining) |
| 4 | First State Asian Property Securities Fund | FTSE EPRA Nareit Developed Asia Index (comparator) | Property Other Sector (comparator) |
| 5 | First State Diversified Growth Fund | UK Retail Prices Index (target) | Flexible Investment Sector† |
| 6 | First State Emerging Markets Bond Fund | JP Morgan EMBI Global Diversified (comparator) | Global Emerging Markets Bond Sector (comparator) |
| 7 | First State Global Emerging Markets Focus Fund | MSCI Emerging Markets Index (comparator) | Global Emerging Markets Sector (comparator) |
| 8 | First State Global Listed Infrastructure Fund | FTSE Global Core Infrastructure 50/50 Index | Global Sector (comparator) |
| 9 | First State Global Property Securities Fund | FTSE EPRA Nareit Developed Index (comparator) | Property Other Sector (comparator) |
| 10 | First State Greater China Growth Fund | MSCI Golden Dragon Index (comparator) | China /Greater China Sector (comparator) |
| 11 | First State Indian Subcontinent All-Cap Fund | MSCI India Index (comparator) | Specialist Sector† |
| 12 | First State Japan Focus Fund | MSCI Japan Index (comparator) | Japan Sector (comparator) |
| 13 | Stewart Investors Asia Pacific Fund | MSCI AC Asia Pacific ex Japan Index (comparator) | Asia Pacific Excluding Japan Sector (comparator) |
| 14 | Stewart Investors Asia Pacific Leaders Fund | MSCI AC Asia Pacific ex Japan Index (comparator) | Specialist Sector† |
| 15 | Stewart Investors Asia Pacific Sustainability Fund | MSCI AC Asia Pacific ex Japan Index (comparator) | Specialist Sector† |
| 16 | Stewart Investors Global Emerging Markets Fund | MSCI Emerging Markets Index (comparator) | Specialist Sector† |
| 17 | Stewart Investors Global Emerging Markets Leaders Fund | MSCI Emerging Markets Index (comparator) | Specialist Sector† |

| | | | |
|---|---|---|---|
| 18 | Stewart Investors Global Emerging Markets Sustainability Fund | MSCI Emerging Markets Index (comparator) | Specialist Sector† |
| 19 | Stewart Investors Indian Subcontinent Sustainability Fund* | MSCI India Index (comparator) | Specialist Sector† |
| 20 | Stewart Investors Latin America Fund | MSCI EM Latin America Index (comparator) | Specialist Sector† |
| 21 | Stewart Investors Worldwide Equity Fund | MSCI AC World Index (comparator) | Global Sector (comparator) |
| 22 | Stewart Investors Worldwide Select Fund** | MSCI AC World Index (comparator) | Global Sector (comparator) |
| 23 | Stewart Investors Worldwide Sustainability Fund | MSCI AC World Index (comparator) | Global Sector (comparator) |

* The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019

** The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

† Given the diverse nature of the constituent funds within the Flexible and Specialist Investment Association Sectors, the Manager does not compare performance of these Funds with their IA sectors.

## 15.2. Investor Risk Profile and Distribution

Funds detailed in the above table are available for both retail and institutional investment.

Many First State Funds are specialist products and should form part of a diversified portfolio. First State recommends that investors seek financial advice before investing. Specific risk factors are detailed in the ‘Risk Factors’ section of this Prospectus.

Distributors should refer to Section 1.2. headed “Information for distributors”.

Class B Shares in the Funds are available to all eligible investors including (i) financial intermediaries which, in accordance with the relevant regulatory requirements, are not allowed to accept and keep trail commission (in the European Union this will include financial intermediaries providing discretionary portfolio management and/ or investment advice on an independent basis), (ii) financial intermediaries which provide non-independent advice and which according to separate fee arrangements with their clients are not allowed to accept and keep trail commission and (ii) institutional investors investing on their own account.

## 16.0 APPENDIX III – INVESTMENT OBJECTIVES, POLICIES, BENCHMARK & IA SECTOR, INVESTMENT PERFORMANCE AND FUND DETAILS

The following Appendix contains details relating to each Fund including:

- The investment objective of the Fund;
- The investment policy of the Fund;
- Details on the use of benchmarks by the Fund; and
- The historic performance of the Fund.

## 16.1. FIRST STATE ALL CHINA FUND

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

**Investment 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.

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.

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI China All Shares Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the China/Greater China IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition or sector requirements and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| **Fund No.** | **Fund, Benchmark and IA Sector** | **Annual Return %** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 1 | First State All China Fund | -9.06 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | MSCI China All Shares Index | -18.51 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | China/Greater China IA Sector | -14.54 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper

## Fund details

| **Class of share available*** | **Class A USD** | **Class B GBP** | **Class B USD** | **Class E GBP**** | **Class E USD**** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No | No |
| Minimum initial subscription | $1k | £1k | $1k | £1k | $1k | £10m | $10m |
| Minimum subsequent subscription | $500 | £500 | $500 | £500 | $500 | £1m | $1m |
| Minimum holding | $1k | £1k | $1k | £1k | $1k | £10m | $10m |
| Minimum redemption/ switch amount | $500 | £500 | $500 | £500 | $500 | £1m | $1m |
| Investment under regular savings scheme | n/a | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current annual management charge*** | 1.75% | 1.00% | 1.00% | 0.65% | 0.65% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** Class E Shares will only be available for subscription if the Net Asset Value of the Fund is less than £50,000,000 or such other amount as may be determined by the ACD from time to time in relation to the Fund at the time the application for the Class E Shares is received. Class E Shares will not be issued to the extent that the minimum threshold of £50,000,000 will be exceeded as a result of the subscription. The availability of the Class E Shares for subscription may be closed and re-opened at the ACD's discretion without notice to the Shareholders of the Fund. The ACD may allow existing investors in the Class E Shares to make further subscriptions for Class E Shares in the Fund at its absolute discretion and subject to such limits as it may decide on a case-by-case basis notwithstanding the closure of the Class E Share Class to new investors. The Shareholders can obtain details of any increase in the minimum threshold amount referred to in this paragraph on request from the ACD.

*** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.2. FIRST STATE ASIA ALL-CAP FUND

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

**Investment Policy:** 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 which are listed, traded or dealt in on Regulated Markets worldwide and in equity related instruments listed, traded or dealt in on Regulated Markets worldwide which 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 which 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.

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC Asia Pacific ex Japan Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is managed with a view to remaining within the Asia Pacific Excluding Japan IA Sector which has sector investment requirements which are consistent with the Fund's investment policy described above and its performance is shown against that IA sector, however the performance of the sector is not part of a target set for the Fund's performance. This IA sector has been chosen because its constituents most closely represent the scope of the Fund's investable assets.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 2 | First State Asia All-Cap Fund | -7.04 | 21.54 | 24.75 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | MSCI AC Asia Pacific ex Japan Index | -8.57 | 25.13 | 27.34 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Asia Pacific Excluding Japan IA Sector | -9.63 | 24.68 | 25.95 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper

## Fund details

| Class of share available* | Class A USD | Class B GBP | Class B Euro | Class B USD | Class Z GBP^ | Class Z USD^ |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No |
| Minimum initial subscription | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | $500 | £500 | €500 | $500 | £1m | $1m |
| Minimum holding | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum redemption / switch amount | $500 | £500 | €500 | $500 | £1m | $1m |

| **Class of share available*** | **Class A USD** | **Class B GBP** | **Class B Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Investment under regular savings scheme | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current annual management charge** | 1.90% | 1.25% | 1.25% | 1.25% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.3. FIRST STATE ASIA FOCUS FUND

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

**Investment Policy:** At least 80% of the net assets of the Fund will be invested in large 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 which are listed, traded or dealt in on Regulated Markets worldwide and in equity related instruments listed, traded or dealt in on Regulated Markets worldwide which 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 which 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.

**Benchmark and IA sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC Asia Pacific ex Japan Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is managed with a view to remaining within the Asia Pacific Excluding Japan IA Sector which has sector investment requirements which are consistent with the Fund's investment policy described above and its performance is shown against that IA sector, however the performance of the sector is not part of a target set for the Fund's performance. This IA sector has been chosen because its constituents most closely represent the scope of the Fund's investable assets.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 3 | First State Asia Focus Fund | -1.62 | 26.32 | 24.65 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | MSCI AC Asia Pacific ex Japan Index | -8.57 | 25.13 | 27.34 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Asia Pacific Excluding Japan IA Sector | -9.63 | 24.68 | 25.95 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper

## Fund details

| **Class of share available*** | **Class A USD** | **Class B GBP** | **Class B Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | Yes | No | No | No | No |
| Minimum initial subscription | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | $500 | £500 | €500 | $500 | £1m | $1m |
| Minimum holding | $1k | £1k | €1k | $1k | £10m | $10m |

| **Class of share available*** | **Class A USD** | **Class B GBP** | **Class B Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Minimum redemption / switch amount | $500 | £500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current annual management charge** | 1.5% | 0.85% | 0.85% | 0.85% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

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

^ This class is reserved for and is only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.4. FIRST STATE ASIAN PROPERTY SECURITIES FUND

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: FTSE EPRA Nareit Developed Asia Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the Property Other Sector.

The benchmark and sector is not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Fund Return % as at 31 December 2018 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 4 | First State Asian Property Securities Fund | 0.61 | 6.89 | 22.81 | 1.08 | 6.97 | -0.08 | 39.00 | -18.43 | 19.70 | 26.74 |
| | FTSE EPRA Nareit Developed Asia Index | 4.17 | 5.56 | 26.28 | -1.78 | 6.88 | 2.95 | 41.82 | -17.94 | 19.82 | 28.33 |
| | Property Other Sector | -3.31 | 5.30 | 9.71 | 4.07 | 14.02 | 4.94 | 13.74 | -5.60 | 11.60 | 14.36 |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** FTSE and **IA Sector Data**: Lipper

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class B GBP** | **Class B Euro** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Minimum initial subscription | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.5% | 1.5% | 0.75% | 0.75% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Capital | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.5. FIRST STATE DIVERSIFIED GROWTH FUND

**Investment Objective:** 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 Prices Index over a rolling 5 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.

**Investment Policy:** 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 are 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 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.

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.●

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to allocate assets rather than tracking the performance of a benchmark.

The Fund targets performance in excess of the following index: UK Retail Prices Index.

The index has been identified as a performance target and has been chosen because investors may wish to receive returns above the level of UK inflation. The Manager's discretion to allocate assets within the Fund's investment policy is exercised without reference to the index.

**Investment Performance:** The table below shows the performance of the Fund and of the index referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Index | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 5 | First State Diversified Growth Fund | -10.20 | 6.54 | 14.19 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | UK Retail Prices Index | 2.93 | 3.64 | 2.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | First State Diversified Growth Fund – Rolling 5 year Fund return | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | First State Diversified Growth Fund – Rolling 5 year Fund objective | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Performance relative to objective (negative values are where the Fund fails to meet its objective) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** Office of National Statistics (ONS)

The Fund is in the Investment Association's Flexible Investment Sector. Given the diverse nature of the constituent funds within the Flexible Investment Sector, the Manager does not compare performance of the Fund with its IA sector.

## Fund details

| **Class of share available*** | **Class A (Hedged) USD** | **Class B GBP** | **Class B (Hedged) Euro** | **Class B (Hedged) JPY** | **Class B (Hedged) USD** | **Class E GBP *** ** | **Class E (Hedged) Euro**** | **Class E (Hedged) JPY**** | **Class E (Hedged) USD **** | **Class Z GBP^** | **Class Z (Hedged) JPY^** | **Class Z (Hedged) USD^** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes |

| Class of share available* | Class A (Hedged) USD | Class B GBP | Class B (Hedged) Euro | Class B (Hedged) JPY | Class B (Hedged) USD | Class E GBP *** | Class E (Hedged) Euro** | Class E (Hedged) JPY** | Class E (Hedged) USD ** | Class Z GBP^ | Class Z (Hedged) JPY^ | Class Z (Hedged) USD^ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Minimum initial subscription | $1k | £1k | €1k | JPY 140k | $1k | £1k | €1k | JPY 140k | $1k | £10m | JPY 1,400 m | $10m |
| Minimum subsequent subscription | $500 | £500 | €500 | JPY 70k | $500 | £500 | €500 | JPY 70k | $500 | £1m | JPY 140m | $1m |
| Minimum holding | $1k | £1k | €1k | JPY 140k | $1k | £1k | €1k | JPY 140k | $1k | £10m | JPY 1,400 m | $10m |
| Minimum redemption / Switch amount | $500 | £500 | €500 | JPY 70k | $500 | £500 | €500 | JPY 70k | $500 | £1m | JPY 140m | $1m |
| Investment under regular savings scheme | n/a | £50 per month | n/a | n/a | n/a | £50 per month | n/a | n/a | n/a | n/a | n/a | n/a |
| Current annual management Charge*** | 1.30% | 0.65% | 0.65% | 0.65% | 0.65% | 0.40% | 0.40% | 0.40% | 0.40% | 0.00% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | | | | | | |
| Income allocation dates: | Semi-annually on or before 30 September and 31 March | | | | | | | | | | | |

- Clarification point 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. Any such change of benchmark will be pre-notified to Shareholders.

- 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.

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to www.firststateinvestments.com or contact the ACD's Retail Dealing team for further information.

** Class E Shares will only be available for subscription if the Net Asset Value of the Fund is less than £250,000,000 or such other amount as may be determined by the ACD from time to time in relation to the Fund at the time the application for the Class E Shares is received. Class E Shares will not be issued to the extent that the minimum threshold of £250,000,000 will be exceeded as a result of the subscription. The availability of the Class E Shares for subscription may be closed and re-opened at the ACD's discretion without notice to the Shareholders of the Fund. The ACD may allow existing investors in the Class E Shares to make further subscriptions for Class E Shares in the Fund at its absolute discretion and subject to such limits as it may decide on a case-by-case basis notwithstanding the closure of the Class E Share Class to new investors. The Shareholders can obtain details of any increase in the minimum threshold amount referred to in this paragraph on request from the ACD.

*** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

Further details on Currency Hedged Share Classes and the risks related to them can found in the sections, Characteristics of Shares and Risk Factors earlier in the prospectus.

## 16.6. FIRST STATE EMERGING MARKETS BOND FUND

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

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

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: JP Morgan EMBI Global Diversified.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the Global Emerging Markets Bond IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B Hedged accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Return % |
|---|---|---|

| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 6 | First State Emerging Markets Bond Fund | -6.55 | 8.08 | 7.86 | 0.28 | 6.45 | -4.45 | N/A | N/A | N/A | N/A |
| | JP Morgan EMBI Global Diversified | -6.01 | 9.11 | 9.86 | 1.25 | 7.60 | -5.20 | N/A | N/A | N/A | N/A |
| | Global Emerging Markets Bond IA Sector | -1.83 | 2.49 | 29.59 | -2.52 | 6.16 | -9.80 | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** JP Morgan and **IA Sector Data**: Lipper

## Fund details

| **Class of share available*** | **Class A (Hedged) GBP** | **Class A (Hedged) Euro** | **Class A USD** | **Class B (Hedged) GBP** | **Class B (Hedged) Euro** | **Class B USD** | **Class B (Gross) USD** | **Class Z ( (Hedged) GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Minimum initial subscription | £1k | €1k | $1k | £1k | €1k | $1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | $500 | £500 | €500 | $500 | $500 | £1m | $1m |
| Minimum holding | £1k | €1k | $1k | £1k | €1k | $1k | $1k | £10m | $10m |
| Minimum redemption / switch amount | £500 | €500 | $500 | £500 | €500 | $500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per Month | n/a | n/a | £50 per Month | n/a | n/a | n/a | n/a | n/a |
| Current annual management charge** | 1.25% | 1.25% | 1.25% | 0.60% | 0.60% | 0.60% | 0.60% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Capital | | | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to www.firststateinvestments.com or contact the ACD's Retail Dealing team for further information

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

Further details on Currency Hedged Share Classes and the risks related to them can found in the sections, Characteristics of Shares and Risk Factors earlier in the prospectus.

## 16.7. FIRST STATE GLOBAL EMERGING MARKETS FOCUS FUND

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

**Investment Policy:** The Fund invests primarily in large 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.

The Fund may use derivatives for Efficient Portfolio Management purposes only.

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI Emerging Markets Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the Global Emerging Markets IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 7 | First State Global Emerging Markets Focus Fund | -7.69 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | MSCI Emerging Markets Index | -9.26 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Global Emerging Markets IA Sector | -11.62 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper

## Fund details

| **Class of share available*** | **Class A USD** | **Class B GBP** | **Class B Euro** | **Class B USD** | **Class E GBP**** | **Class E USD**** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No | No | No |
| Minimum initial subscription | $1k | £1k | €1k | $1k | £1k | $1k | £10m | $10m |
| Minimum subsequent subscription | $500 | £500 | €500 | $500 | £500 | $500 | £1m | $1m |
| Minimum holding | $1k | £1k | €1k | $1k | £1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | $500 | £500 | €500 | $500 | £500 | $500 | £1m | $1m |
| Investment under regular savings scheme | n/a | £50 per month | n/a | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge*** | 1.5% | 0.85% | 0.85% | 0.85% | 0.65% | 0.65% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | | |

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** Class E Shares will only be available for subscription if the Net Asset Value of the Fund is less than £50,000,000 or such other amount as may be determined by the ACD from time to time in relation to the Fund at the time the application for the Class E Shares is received. Class E Shares will not be issued to the extent that the minimum threshold of £50,000,000 will be exceeded as a result of the subscription. The availability of the Class E Shares for subscription may be closed and re-opened at the ACD's discretion without notice to the Shareholders of the Fund. The ACD may allow existing investors in the Class E Shares to make further subscriptions for Class E Shares in the Fund at its absolute discretion and subject to such limits as it may decide on a case-by-case basis notwithstanding the closure of the Class E Share Class to new investors. The Shareholders can obtain details of any increase in the minimum threshold amount referred to in this paragraph on request from the ACD.

*** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.8. FIRST STATE GLOBAL LISTED INFRASTRUCTURE FUND

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: FTSE Global Core Infrastructure 50/50 Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the Global IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. A majority of the Fund's assets can be expected to be components of the benchmark. However, the Manager has discretion within the Fund's investment policy to invest away from the benchmark and sector requirements, and without regard to the weighting of benchmark assets, in order to take advantage of specific investment opportunities. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 8 | First State Global Listed Infrastructure Fund | -1.65 | 8.19 | 35.89 | 0.20 | 19.55 | 16.02 | 6.89 | 3.07 | 13.6 | 13.97 |
| | FTSE Global Core Infrastructure 50/50 Index* | 1.97 | 8.15 | 32.25 | -1.31 | 19.77 | 14.81 | 6.80 | 0.35 | 7.92 | 4.98 |
| | Global IA Sector | -6.04 | 13.81 | 23.94 | 3.83 | 7.70 | 22.19 | 10.15 | -9.54 | 16.24 | 23.26 |

* The benchmark changed from the UBS Global Infrastructure & Utilities 50-50 Index to the FTSE Global Core Infrastructure 50/50 Index on 01/04/2015.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** FTSE and **IA Sector Data**: Lipper

# Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class A (Hedged) GBP** | **Class A USD** | **Class B GBP** | **Class B (Hedged) GBP** | **Class B Euro** | **Class B (Hedged) Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | No | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| Minimum initial subscription | £1k | €1k | £1k | $1k | £1k | £1k | €1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | $500 | £500 | £500 | €500 | €500 | $500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | $1k | £1k | £1k | €1k | €1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | $500 | £500 | £500 | €500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | n/a | n/a | £50 per month | £50 per month | n/a | n/a | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.5% | 1.5% | 1.5% | 1.5% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Capital | | | | | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

Further details on Currency Hedged Share Classes and the risks related to them can found in the sections, Characteristics of Shares and Risk Factors earlier in the prospectus.

## 16.9. FIRST STATE GLOBAL PROPERTY SECURITIES FUND

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: FTSE EPRA Nareit Developed Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. This Fund is included within the Property Other IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 9 | First State Global Property Securities Fund | -4.16 | 2.05 | 18.33 | 5.17 | 24.66 | 0.65 | 17.8 | -0.28 | 26.33 | 28.75 |
| | FTSE EPRA Nareit Developed Index | 0.23 | 0.81 | 24.71 | 5.85 | 23.10 | 2.91 | 19.45 | 0.72 | 27.39 | 20.82 |
| | Property Other IA Sector | -3.31 | 5.30 | 9.71 | 4.07 | 14.02 | 4.94 | 13.74 | -5.60 | 11.60 | 14.36 |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** FTSE and **IA Sector Data**: Lipper.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class A (Hedged) GBP** | **Class A USD** | **Class B GBP** | **Class B (Hedged) GBP** | **Class B Euro** | **Class B (Hedged) Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| Minimum initial subscription | £1k | €1k | £1k | $1k | £1k | £1k | €1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | $500 | £500 | £500 | €500 | €500 | $500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | $1k | £1k | £1k | €1k | €1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | $500 | £500 | £500 | €500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | n/a | n/a | £50 per month | £50 per month | n/a | n/a | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.5% | 1.5% | 1.5% | 1.5% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Capital | | | | | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

Further details on Currency Hedged Share Classes and the risks related to them can found in the sections, Characteristics of Shares and Risk Factors earlier in the prospectus.

## 16.10. FIRST STATE GREATER CHINA GROWTH FUND

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI Golden Dragon Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the China/Greater China IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 10 | First State Greater China Growth Fund | -7.78 | 29.57 | 23.26 | 3.86 | 7.49 | 12.74 | 18.55 | -11.67 | 26.17 | 56.03 |
| | MSCI Golden Dragon Index | -9.50 | 31.34 | 25.73 | -2.07 | 14.42 | 4.91 | 16.82 | -18.06 | 16.80 | 48.39 |
| | China/Greater China IA Sector | -14.54 | 37.42 | 19.35 | 2.96 | 9.72 | 12.18 | 14.76 | -22.38 | 13.35 | 57.93 |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class B GBP** | **Class B Euro** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No |
| Minimum initial subscription | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.75% | 1.75% | 1.00% | 1.00% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.11. FIRST STATE INDIAN SUBCONTINENT ALL-CAP FUND

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

**Investment Policy:** 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 issued by companies established or operating or having significant interests in the Indian subcontinent and which are listed, traded or dealt in on Regulated Markets worldwide, and in equity related instruments listed, traded or dealt in on Regulated Markets worldwide which 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.

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI India Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. The Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 11 | First State Indian Subcontinent All-Cap Fund | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | MSCI India Index | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

A full year's performance data is not at the date of this document available for the First State Indian Subcontinent All-Cap Fund and therefore a meaningful full year calendar performance data is not yet available for this Fund. Performance data will become available for this Fund on monthly fund fact sheets available on www.firststateinvestments.com.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of shares available*** | **Class A Euro** | **Class A GBP** | **Class A USD** | **Class B Euro** | **Class B GBP** | **Class B USD** | **Class E Euro**** | **Class E GBP**** | **Class E USD**** | **Class Z GBP^** | **Class Z (USD^** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No | No | No | No | No | No |
| Minimum initial subscription | €1k | £1k | $1k | €1k | £1k | $1k | €1k | £1k | $1k | £10m | $10m |
| Minimum subsequent subscription | €500 | £500 | $500 | €500 | £500 | $500 | €500 | £500 | $500 | £1m | $1m |
| Minimum holding | €1k | £1k | $1k | €1k | £1k | $1k | €1k | £1k | $1k | £10m | $10m |
| Minimum redemption / Switch amount | €500 | £500 | $500 | €500 | £500 | $500 | €500 | £500 | $500 | £1m | $1m |
| Investment under regular savings scheme | n/a | £50 per month | n/a | n/a | £50 per month | n/a | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge*** | 1.75% | 1.75% | 1.75% | 1.00% | 1.00% | 1.00% | 0.69% | 0.69% | 0.69% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | | | | | |

● Countries of the Indian subcontinent include India, Pakistan, Sri Lanka and Bangladesh.

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to www.firststateinvestments.com or contact the ACD's Retail Dealing team for further information.

** Class E Shares will only be available for subscription if the Net Asset Value of the Fund is less than £50,000,000 or such other amount as may be determined by the ACD from time to time in relation to the Fund at the time the application for the Class E Shares is received. Class E Shares will not be issued to the extent that the minimum threshold of £50,000,000 will be exceeded as a result of the subscription. The availability of the Class E Shares for subscription may be closed and re-opened at the ACD's discretion without notice to the Shareholders of the Fund. The ACD may allow existing investors in the Class E Shares to make further subscriptions for Class E Shares in the Fund at its absolute discretion and subject to such limits as it may decide on a case-by-case basis notwithstanding the closure of the Class E Share Class to new investors. The Shareholders can obtain details of any increase in the minimum threshold amount referred to in this paragraph on request from the ACD.

*** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.12. FIRST STATE JAPAN FOCUS FUND

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

**Investment Policy:** The Fund will predominantly invest in large and mid-capitalisation equity securities issued by companies that are established, operating or have their economic activities mainly in Japan and which are listed, traded or dealt in on Regulated Markets worldwide and in equity related instruments listed, traded or dealt in on Regulated Markets worldwide which provide exposure to Japan. The Fund may also invest in other equity securities and equity related instruments which 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.

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI Japan Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the Japan IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| **Fund No.** | **Fund, Benchmark and IA Sector** | **Annual Return %** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 12 | First State Japan Focus Fund | -9.97 | 32.44 | 23.70 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | MSCI Japan Index | -7.47 | 13.25 | 22.12 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Japan IA Sector | -11.85 | 16.94 | 22.77 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper.

## Fund details

| **Class of share available*** | **Class A USD** | **Class B GBP** | **Class B (Hedged) GBP** | **Class B USD** | **Class E GBP*** ** | **Class E USD*** ** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No | No | No |
| Minimum initial subscription | $1k | £1k | £1k | $1k | £1k | $1k | £10m | $10m |
| Minimum subsequent subscription | $500 | £500 | £500 | $500 | £500 | $500 | £1m | $1m |
| Minimum holding | $1k | £1k | £1k | $1k | £1k | $1k | £10m | $10m |
| Minimum redemption/ switch amount | $500 | £500 | £500 | $500 | £500 | $500 | £1m | $1m |
| Investment under regular savings scheme | n/a | £50 per month | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current annual management charge** | 1.5% | 0.85% | 0.85% | 0.85% | 0.65% | 0.65% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | | |
| Income allocation dates | Semi-annually on +or before 30 September and 31 March | | | | | | | |

- Clarification point: Large and mid-capitalisation typically refers to equities with a minimum market capitalisation of US$ 1 billion.

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

*** Class E Shares will only be available for subscription if the Net Asset Value of the Fund is less than £50,000,000 or such other amount as may be determined by the ACD from time to time in relation to the Fund at the time the application for the Class E Shares is received. Class E Shares will not be issued to the extent that the minimum threshold of £50,000,000 will be exceeded as a result of the subscription. The availability of the Class E Shares for subscription may be closed and re-opened at the ACD's discretion without notice to the Shareholders of the Fund. The ACD may allow existing investors in the Class E Shares to make further subscriptions for Class E Shares in the Fund at its absolute discretion and subject to such limits as it may decide on a case-by-case basis notwithstanding the closure of the Class E Share Class to new investors. The Shareholders can obtain details of any increase in the minimum threshold amount referred to in this paragraph on request from the ACD.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

Further details on Currency Hedged Share Classes and the risks related to them can found in the Section 6.1.4. headed "Currency Hedged Share Classes" and in Section 18.4.16. headed "Q. Currency hedged share classes risk".

## 16.13. STEWART INVESTORS ASIA PACIFIC FUND

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC Asia Pacific ex Japan Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. This Fund is included within the Asia Pacific Excluding Japan IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 13 | Stewart Investors Asia Pacific Fund | -5.55 | 16.74 | 25.52 | 0.55 | 22.24 | 3.11 | 20.97 | -7.89 | 30.26 | 40.35 |
| | MSCI AC Asia Pacific ex Japan Index | -8.57 | 25.13 | 27.34 | -4.12 | 9.21 | 1.49 | 16.94 | -14.97 | 21.84 | 54.23 |
| | Asia Pacific Excluding Japan IA Sector | -9.63 | 24.68 | 25.95 | -3.03 | 9.21 | 1.33 | 16.98 | -15.93 | 23.36 | 50.95 |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class B GBP** | **Class B Euro** | **Class Z GBP^** | **Class Z Euro^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | No | Yes | No | No | No | No |
| Minimum initial subscription | £1k | €1k | £1k | €1k | £10m | €10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | £1m | €1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | £10m | €10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | £1m | €1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.75% | 1.75% | 1.00% | 1.00% | 0.00% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | |

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

Currently, the ACD applies a mandatory 4% Initial Charge on investments in to this Fund, for further information please refer to Section 9.0. headed "Fees and Expenses".

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.14. STEWART INVESTORS ASIA PACIFIC LEADERS FUND

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

**Investment Policy:** The Fund invests in large and mid capitalisation equities issued by companies that are incorporated or listed, or which 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.

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC Asia Pacific ex Japan Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 14 | Stewart Investors Asia Pacific Leaders Fund | 5.40 | 13.45 | 19.64 | 1.94 | 19.85 | 1.04 | 19.24 | -7.37 | 27.52 | 35.57 |
| | MSCI AC Asia Pacific ex Japan Index | -8.57 | 25.13 | 27.34 | -4.12 | 9.21 | 1.49 | 16.94 | -14.97 | 21.84 | 54.23 |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class B GBP** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | No | No |
| Minimum initial subscription | £1k | £1k | £10m | $10m |
| Minimum subsequent subscription | £500 | £500 | £1m | $1m |
| Minimum holding | £1k | £1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | £500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | £50 per month | n/a | n/a |
| Current Annual Management Charge** | 1.5% | 0.85% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge Taken From Income | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | |

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a

separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.15. STEWART INVESTORS ASIA PACIFIC SUSTAINABILITY FUND

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

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

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC Asia Pacific ex Japan Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 15 | Stewart Investors Asia Pacific Sustainability Fund | 7.14 | 14.10 | 23.30 | 2.49 | 23.13 | 8.07 | 27.66 | -10.4 | 35.85 | 42.71 |
| | MSCI AC Asia Pacific ex Japan Index | -8.57 | 25.13 | 27.34 | -4.12 | 9.21 | 1.49 | 16.94 | -14.97 | 21.84 | 54.23 |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class B GBP** | **Class B Euro** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No |
| Minimum initial subscription | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge | 1.55% | 1.55% | 0.90% | 0.90% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

- 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).

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

Currently, the ACD applies a mandatory 4% Initial Charge on investments in to this Fund, for further information please refer to Section 9.0 headed "Fees and Expenses".

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.16. STEWART INVESTORS GLOBAL EMERGING MARKETS FUND

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

**Investment Policy:** The Fund invests worldwide in equities in emerging economies, including those of companies listed on developed market exchanges whose activities predominantly take place in emerging market countries.●
**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI Emerging Markets Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| **Fund No.** | **Fund and Benchmark** | **Annual Return %** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 16 | Stewart Investors Global Emerging Markets Fund | -4.31 | 15.94 | 29.88 | -7.50 | 4.98 | 1.19 | 21.74 | -10.15 | 32.56 | 56.86 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MSCI Emerging Markets Index | -9.26 | 25.40 | 32.63 | -9.99 | 3.90 | -4.41 | 13.03 | -17.82 | 22.61 | 58.93 |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class B GBP** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No |
| Minimum initial subscription | £1k | £1k | £10m | $10m |
| Minimum subsequent subscription | £500 | £500 | £1m | $1m |
| Minimum holding | £1k | £1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | £500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | £50 per month | n/a | n/a |
| Current Annual Management Charge** | 1.75% | 1.00% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | |

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

Currently, the ACD applies a mandatory 4% Initial Charge on investments in to this Fund, for further information please refer to Section 9.0. headed "Fees and Expenses".

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".
All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.17. STEWART INVESTORS GLOBAL EMERGING MARKETS LEADERS FUND

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

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

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI Emerging Markets Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 17 | Stewart Investors Global Emerging Markets Leaders Fund | -7.42 | 17.90 | 28.75 | -5.02 | 7.56 | -0.06 | 18.75 | -5.93 | 29.84 | 50.59 |
| | MSCI Emerging Markets Index | -9.26 | 25.40 | 32.63 | -9.99 | 3.90 | -4.41 | 13.03 | -17.82 | 22.61 | 58.93 |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class B GBP** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes |
| Income shares** | No | Yes | No | No | No |
| Minimum initial subscription | £1k | £1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | £500 | $500 | £1m | $1m |
| Minimum holding | £1k | £1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | £500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.5% | 0.85% | 0.85% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | |

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a

separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

Currently, the ACD applies a mandatory 4% Initial Charge on investments in to this Fund, for further information please refer to Section 9.0. headed "Fees and Expenses".

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.18. STEWART INVESTORS GLOBAL EMERGING MARKETS SUSTAINABILITY FUND

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

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

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI Emerging Markets Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Annual Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 18 | Stewart Investors Global Emerging Markets Sustainability Fund | -0.92 | 18.03 | 28.05 | -7.17 | 9.89 | 3.36 | 26.01 | -13.64 | 39.36 | N/A |
| | MSCI Emerging Markets Index | -9.26 | 25.40 | 32.63 | -9.99 | 3.90 | -4.41 | 13.03 | -17.82 | 22.61 | N/A |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class B GBP** | **Class B Euro** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No |
| Minimum initial subscription | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.55% | 1.55% | 0.90% | 0.90% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

- 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 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).

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

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

Currently, the ACD applies a mandatory 4% Initial Charge on investments in to this Fund, for further information please refer to Section 9.0. headed "Fees and Expenses".

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.19. STEWART INVESTORS INDIAN SUBCONTINENT SUSTAINABILITY FUND*

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

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

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.

**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI India Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 19 | Stewart Investors Indian Subcontinent Sustainability Fund | 3.04 | 19.22 | 21.27 | 6.11 | 52.28 | 2.81 | N/A | N/A | N/A | N/A |
| | MSCI India Index | -1.54 | 26.74 | 17.57 | -0.69 | 31.57 | -5.62 | N/A | N/A | N/A | N/A |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| Class of share available** | Class A GBP | Class A Euro | Class B GBP | Class B Euro | Class B USD | Class Z GBP^ | Class Z USD^ |
|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No | No |
| Minimum initial subscription | £1k | €1k | £1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | $500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current Annual Management Charge*** | 1.75% | 1.75% | 1.0% | 1.0% | 1.0% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | |

- Countries of the Indian subcontinent include India, Pakistan, Sri Lanka and Bangladesh.

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

* The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

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

*** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.20. STEWART INVESTORS LATIN AMERICA FUND

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

**Investment Policy:** The Fund invests primarily in a diversified portfolio of equity and equity related instruments of issuers established or having significant operations in Latin America and listed, traded or dealt in on regulated markets worldwide.
**Benchmark:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI EM Latin America Index.

The benchmark is not used to limit or constrain how the Fund's portfolio is constructed, nor is it part of a target set for the Fund's performance. The benchmark has been identified as a means by which investors can compare the Fund's performance and has been chosen because its constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund and Benchmark | Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 20 | Stewart Investors Latin America Fund | -2.91 | 17.10 | 51.21 | -11.42 | -8.59 | -11.31 | 17.82 | -8.57 | 34.22 | N/A |
| | MSCI EM Latin America Index | -0.77 | 13.03 | 56.31 | -27.04 | -6.84 | -14.97 | 3.88 | -18.75 | 18.26 | N/A |

The Fund is in the Investment Association's Specialist Sector. Given the diverse nature of the constituent funds within the Specialist Sector, the Manager does not compare performance of the Fund with its IA sector.

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP and the **Benchmark performance:** MSCI.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class B GBP** | **Class B Euro** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No |
| Minimum initial subscription | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | £500 | €500 | £1m | $1m |
| Minimum holding | £1k | €1k | £1k | €1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | £500 | €500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.75% | 1.75% | 1.00% | 1.00% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge Taken From Income | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a

separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

Currently, the ACD applies a mandatory 4% Initial Charge on investments in to this Fund, for further information please refer to Section 9.0. "Fees and Expenses".

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.21. STEWART INVESTORS WORLDWIDE EQUITY FUND

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

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

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

The Fund may invest in any industry.

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC World Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. The Fund is included within the Global IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 21 | Stewart Investors Worldwide Equity Fund | -3.73 | 13.25 | 30.69 | 5.55 | 4.45 | 16.63 | 9.44 | N/A | N/A | N/A |
| | MSCI AC World Index | -3.78 | 13.24 | 28.66 | 3.29 | 10.64 | 20.52 | 11.03 | N/A | N/A | N/A |
| | Global IA Sector | -6.04 | 13.81 | 23.94 | 3.83 | 7.70 | 22.19 | 10.15 | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A USD** | **Class B GBP** | **Class B Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | Yes | Yes | No | Yes | No | No |
| Minimum initial subscription | £1k | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | $500 | £500 | €500 | $500 | £1m | $1m |
| Minimum holding | £1k | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | $500 | £500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.75% | 1.75% | 1.00% | 1.00% | 1.00% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge Taken From Income | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

* Please note not all Classes of Shares relevant to this Fund have been launched yet. Please refer to the

website www.firststateinvestments.com or contact the ACD's Retail Dealing team for further information.

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.22. STEWART INVESTORS WORLDWIDE SELECT FUND*

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

**Investment Policy:** The Fund invests primarily in a diverse portfolio of equity securities of larger capitalisation companies which 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.

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC World Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. This Fund is included within the Global IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 22 | Stewart Investors Worldwide Select Fund | -0.19 | 10.80 | 29.11 | 6.07 | 6.43 | 26.74 | 7.85 | -3.16 | 12.4 | 16.41 |
| | MSCI AC World Index | -3.78 | 13.24 | 28.66 | 3.29 | 10.97 | 24.32 | 10.74 | -4.84 | 15.28 | 15.73 |
| | Global IA Sector | -6.04 | 13.81 | 23.94 | 3.83 | 7.70 | 22.19 | 10.15 | -9.54 | 16.24 | 23.26 |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper.

## Fund details

| Class of share available** | Class A GBP | Class A Euro | Class A USD | Class B GBP | Class B Euro | Class B USD | Class Z GBP^ | Class Z USD^ |
|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | No | No | No | No | No | No | No | No |
| Minimum initial subscription | £1k | €1k | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | $500 | £500 | €500 | $500 | £1m | $1m |
| Minimum holding | £1k | €1k | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | $500 | £500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current Annual Management Charge*** | 1.5% | 1.5% | 1.5% | 0.75% | 0.75% | 0.75% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge taken from Income | | | | | | | | |
| Income allocation dates***** | Semi-annually on or before 30 September and 31 March | | | | | | | |

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

* The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

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

*** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 16.23. STEWART INVESTORS WORLDWIDE SUSTAINABILITY FUND

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

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

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

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

**Benchmark and IA Sector:** The Fund is actively managed meaning that the Manager uses its expertise to pick investments rather than tracking the performance of a benchmark.

The Fund's performance is compared against the value of the following benchmark: MSCI AC World Index.

In addition, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (a trade body that represents UK investment managers) which helps investors compare funds with similar characteristics. This Fund is included within the Global IA Sector.

The benchmark and sector are not used to limit or constrain how the Fund's portfolio is constructed, nor are they part of a target set for the Fund's performance to match or exceed. The benchmark and sector have been identified as a means by which investors can compare the Fund's performance and have been chosen because their constituents most closely represent the scope of the Fund's investable assets. Investment of the Fund's assets is not constrained by the benchmark or sector composition and the Manager has complete discretion within the Fund's investment policy to invest in assets without regard to their inclusion or weighting in the benchmark. The investment strategy of the Fund does not restrict the extent to which the portfolio holdings may deviate from the benchmark or sector.

**Investment Performance:** The table below shows the performance of the Fund and of the benchmark and IA sector referred to above. Performance information is based on Class B accumulation shares.

Performance information for all Class A and Class B shares is available on the website www.firststateinvestments.com.

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

| Fund No. | Fund, Benchmark and IA Sector | Return % | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 January 2018 to 31 December 2018 | 1 January 2017 to 31 December 2017 | 1 January 2016 to 31 December 2016 | 1 January 2015 to 31 December 2015 | 1 January 2014 to 31 December 2014 | 1 January 2013 to 31 December 2013 | 1 January 2012 to 31 December 2012 | 1 January 2011 to 31 December 2011 | 1 January 2010 to 31 December 2010 | 1 January 2009 to 31 December 2009 |
| 23 | Stewart Investors Worldwide Sustainability Fund | 0.51 | 14.46 | 27.55 | 6.15 | 7.16 | 19.93 | N/A | N/A | N/A | N/A |
| | MSCI AC World Index | -3.78 | 13.24 | 28.66 | 3.29 | 10.64 | 20.52 | N/A | N/A | N/A | N/A |
| | Global IA Sector | -6.04 | 13.81 | 23.94 | 3.83 | 7.70 | 22.19 | N/A | N/A | N/A | N/A |

**Source: Fund performance:** The Bank of New York Mellon (International) Limited net income reinvested in GBP; **Benchmark performance:** MSCI and **IA Sector Data**: Lipper.

## Fund details

| **Class of share available*** | **Class A GBP** | **Class A Euro** | **Class A USD** | **Class B GBP** | **Class B Euro** | **Class B USD** | **Class Z GBP^** | **Class Z USD^** |
|---|---|---|---|---|---|---|---|---|
| Accumulation shares | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income shares | Yes | No | Yes | Yes | No | Yes | No | No |
| Minimum initial subscription | £1k | €1k | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum subsequent subscription | £500 | €500 | $500 | £500 | €500 | $500 | £1m | $1m |
| Minimum holding | £1k | €1k | $1k | £1k | €1k | $1k | £10m | $10m |
| Minimum redemption/switch amount | £500 | €500 | $500 | £500 | €500 | $500 | £1m | $1m |
| Investment under regular savings scheme | £50 per month | n/a | n/a | £50 per month | n/a | n/a | n/a | n/a |
| Current Annual Management Charge** | 1.50% | 1.50% | 1.50% | 0.85% | 0.85% | 0.85% | 0.00% | 0.00% |
| Maximum Initial Charge | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Annual Management Charge Taken From Income | | | | | | | | |
| Income allocation dates | Semi-annually on or before 30 September and 31 March | | | | | | | |

- Clarification point: The Fund's emphasis on 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 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).

^ These classes are reserved for and are only available for subscription by institutional investors or clients of the Investment Manager or of the Sub-Investment Managers who agree to enter into a separate contractual arrangement with the Investment Manager or Sub-Investment Manager in respect of the Shares.

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

** The Annual Management Charge for a share class can be increased by the ACD on 60 days' notice to investors prior to any amendment.

† Please note that with effect from 1 January 2017 the Annual Management Charge for Stewart Investors Worldwide Sustainability Fund Class A Shares was reduced from 1.75% to 1.50% and for Class B Shares was reduced from 1.00% to 0.85%.

The current Annual Management Charge and the Initial Charge above are the maximum charges. For more information on all the fees and expenses including the Annual Management Charge and the Initial Charge please refer to Section 9.0. headed "Fees and Expenses".

All references to "k" refer to thousand, therefore as an example £1k means £1,000, likewise references to "m" refer to million, therefore as an example $1m means $1,000,000.

## 17.0 APPENDIX IV - ELIGIBLE SECURITIES AND DERIVATIVES MARKETS

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

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

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

| Country | 17.1. Eligible Securities Market | | Country | 17.1. Eligible Securities Market |
|---|---|---|---|---|
| EEA State | Any market established in an EEA State on which transferable securities admitted to official listing in an EEA state are dealt or traded | | Nigeria | The Nigerian Stock Exchange |
| Argentina | Bolsa de Comercio de Buenos Aires<br>Mercado a Termino de Buenos Aires Mercado Abierto Electronico (MAE) | | Pakistan | The Pakistan Stock Exchange (PSX) |
| Australia | Australian Securities Exchange<br>Asia Pacific Exchange Limited | | Peru | Bolsa de Valores de Lima |
| Bangladesh | Dhaka Stock Exchange<br>Chittagong Stock Exchange | | Philippines | The Philippine Stock Exchange |
| Benin, Burkina Faso, Guinea-Bissau, the Ivory Coast, Mali, Niger, Senegal and Togo | BRVM (Bourse Régionale des Valeurs Mobilières) | | Qatar | The Qatar Stock Exchange |
| Botswana | Botswana Stock Exchange | | Russia | The Moscow Exchange Moscow Interbank Currency Exchange (MICEX) |
| Brazil | B3 (previously BM&F BOVESPA S.A. | | Saudi Arabia | The Saudi Exchange (known as Tadawul) Tadawul Stock Exchange |
| Canada | The TMX Group<br>TSX Venture Exchange | | South Korea | The Korea Exchange |
| Chile | Santiago Stock Exchange<br>Bolsa Electronica de Chile (BEC)<br>Bolsa de Valores de Valparaiso (BOVALPO) | | Serbia | The Belgrade Stock Exchange |
| China | China Interbank Bond Market<br>Shanghai Stock Exchange<br>Shenzen Stock Exchange<br>Hong Kong Exchange and Clearing Limited (HKEX) | | Singapore | Singapore Exchange Limited |
| Colombia | Bolsa de Valores de Colombia | | South Africa | The Johannesburg Stock Exchange (JSE) JSE Securities Exchange |
| Egypt | Egyptian Stock Exchange | | Sri Lanka | The Colombo Stock Exchange |
| Ghana | Ghana Stock Exchange | | Switzerland | SIX Swiss Exchange |
| India | Bombay Stock Exchange (BSE)<br>The National Stock Exchange of India (NSE)<br>MCX Stock Exchange<br>The Calcutta Stock Exchange (CSE), | | Taiwan | The Taiwan Taiwanese Stock Exchange<br>The Taipei Exchange (previously Gre Tai) Securities Market |
| Indonesia | Indonesia Stock Exchange | | Thailand | The Stock Exchange of Thailand |
| Israel | Tel-Aviv Stock Exchange | | Turkey | Borsa Istanbul Stock Exchange |
| Japan | Fukuoka, Nagoya, Osaka, Sapporo and Tokyo Stock Exchanges and the Tokyo Over-The-Counter Market (including JASDAQ) supervised by the Securities Dealers Association of Japan. | | United Arab Emirates | Abu Dhabi Securities Exchange |
| Kenya | The Nairobi Securities Exchange | | United Kingdom | The London Stock Exchange (including Alternative Investment Market (AIM)<br>The London Commodity Exchange |
| Malaysia | The Bursa Malaysia Exchange | | United States | Any securities exchange registered as a national stock exchange, NASDAQ and OTC markets regulated by FINRA (The Financial Industry Regulatory Authority) |
| Mexico | The Mexican Stock Exchange (BMV) | | Vietnam | Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange |
| New Zealand | The New Zealand Exchange (NZX) | | | ICMA |

| Country | 17.2. Eligible Derivatives Market | | Country | 17.2. Eligible Derivatives Market |
|---|---|---|---|---|
| EEA State | Any market established in an EEA State on which transferable securities admitted to official listing in an EEA state are dealt or traded | | Mexico | Mexican Derivatives Exchange |
| Australia | Australian Securities Exchange | | New Zealand | New Zealand Exchange |
| Brazil | BM&F BOVESPA S.A. | | Russia | Moscow Interbank Currency Exchange (MICEX) |
| Canada | The TMX Group | | Singapore | Singapore Exchange |
| China | Hong Kong Exchange and Clearing Limited | | Switzerland | EUREX Zurich |
| Germany | EUREX Germany | | United Kingdom | LIFFE |
| India | Bombay Stock Exchange<br>National Stock Exchange of India | | United States | NYSE Amex Equities<br>Chicago Board Options Exchange<br>CME Group<br>Kansas City Board of Trade<br>New York Board of Trade<br>New York Mercantile Exchange<br>New York Stock Exchange<br>NYSE Arca<br>NASDAQ OMX Future Exchange<br>NASDAQ OMX PHLX |
| Japan | Osaka Stock Exchange<br>Tokyo Stock Exchange | | | ICMA |
| Korea | Korea Exchange Inc | | | |

# 18.0 APPENDIX V – RISKS FACTORS

| | **18.1 Fund Risk Table** | **Risks** | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fund No.** | **Fund Name** | **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** | **I** | **J** | **K** | **L** | **M** | **N** | **O** | **P** | **Q** | **R** | **S** | **T** | **U** | **V** |
| 1. | First State All China Fund | • | • | | • | • | | | • | | • | | | | | | | | | • | | | • |
| 2. | First State Asia All-Cap Fund | • | • | | • | • | | | | | • | | | | | | | | | | | | • |
| 3. | First State Asia Focus Fund | • | • | | • | • | | | | | | | | | | | | | | | | | • |
| 4. | First State Asian Property Securities Fund | • | • | | • | | | • | | • | • | | • | • | | | | | | | | | • |
| 5. | First State Diversified Growth Fund | • | • | | | | • | | | | | | | | • | • | • | • | • | | • | • | • |
| 6. | First State Emerging Markets Bond Fund | • | • | | | | • | | | | • | | | • | • | • | • | • | • | | • | | |
| 7. | First State Global Emerging Markets Focus Fund | • | • | | • | • | | | | | • | | | | | | | | | | | | • |
| 8. | First State Global Listed Infrastructure Fund | • | • | | | | | • | | • | • | • | | • | | | | • | | | | | • |
| 9. | First State Global Property Securities Fund | • | | | | | | • | | • | • | | • | • | | | | • | | | | | • |
| 10. | First State Greater China Growth Fund | • | • | | • | • | | | • | | • | | | | | | | | | | | | • |
| 11. | First State Indian Subcontinent All-Cap Fund | • | • | • | | | | | • | | • | | | | | | | | | • | | | • |
| 12. | First State Japan Focus Fund | • | | | | | | | • | | • | | | | | | | • | | • | | | • |
| 13. | Stewart Investors Asia Pacific Fund | • | • | | • | • | | | | | • | | | | | | | | | | • | | • |
| 14. | Stewart Investors Asia Pacific Leaders Fund | • | • | | • | • | | | | | | | | | | | | | | | • | | • |
| 15. | Stewart Investors Asia Pacific Sustainability Fund | • | • | | • | • | | | | | • | | | | | | | | | | • | | • |
| 16. | Stewart Investors Global Emerging Markets Fund | • | • | | • | • | | | | | • | | | | | | | | | | • | | • |
| 17. | Stewart Investors Global Emerging Markets Leaders Fund | • | • | | • | • | | | | | | | | | | | | | | | • | | • |
| 18. | Stewart Investors Global Emerging Markets Sustainability Fund | • | • | | • | • | | | | | • | | | | | | | | | | • | | • |
| 19. | Stewart Investors Indian Subcontinent Sustainability Fund* | • | • | • | | | | | • | | • | | | | | | | | | | • | | • |
| 20. | Stewart Investors Latin America Fund | • | • | | | | | | • | | • | | | | | | | | | • | • | | • |
| 21. | Stewart Investors Worldwide Equity Fund | • | • | | • | • | | | | | • | | | | | | | | | • | • | | • |
| 22. | Stewart Investors Worldwide Select Fund** | • | • | | • | • | | | | | • | | | | | | | | | • | • | | • |
| 23. | Stewart Investors Worldwide Sustainability Fund | • | • | | • | • | | | | | • | | | | | | | | | | • | | • |

* the Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

** the Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

| A | **General Risks** | | | **Fund Specific Risks** |
|---|---|---|---|---|
| A1 | Generic Risks | | B | Emerging Market Risk |
| A2 | Investment Risk | | C | Indian Subcontinent Risk |
| A3 | Fixed Income Transferable Securities Risk | | D | China Market Risk |
| A4 | Market Risk | | E | Investment in China A Shares Risk |
| A5 | Liquidity Risk | | F | Investment in the China Interbank Bond Market via Bond Connect |
| A6 | Specialist Investment Risk | | G | Industry or Sector Risk |
| A7 | Inflation Risk | | H | Single Country / Specific Region Risk |
| A8 | Credit Risk | | I | Single Sector Risk |
| A9 | Taxation Risk | | J | Smaller Companies Risk |
| A10 | Risk of change of Laws, Regulations, Political and Economic Conditions | | K | Listed Infrastructure Risk |
| A11 | Risk of Suspension | | L | Property Securities Risk |
| A12 | Derivatives Risk | | M | Charges against Capital Risk |
| A13 | Effect of Initial Charge Risk | | N | Reliability of Credit Ratings Risk |
| A14 | Dilution Adjustment Risk | | O | Interest Rate Risk |
| A15 | Aggregation of Orders Risk | | P | High Yield Risk |
| A16 | Liabilities of the Fund Risk | | Q | Currency Hedged Share Class Risk |
| A17 | Counterparty Risk | | R | Below Investment Grade Debt Securities Risk |
| A18 | MiFID II Risk | | S | Concentration Risk |
| A19 | BREXIT Risk | | T | Investment in Russia Risk |
| A20 | Collateral Posting Requirements Risk | | U | Additional Derivatives Risk |
| A21 | Cyber Security Risk | | V | Currency Risk |
| A22 | Eurozone Crisis Risk | | | |
| | | | | |

## 18.2. RISK FACTORS

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

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

The Fund Risk Table shown above under the heading entitled "Fund Risk Table" also indicates which risks are particularly relevant to the Funds, but the list and table does not purport to be exhaustive. These risks should be carefully considered by investors.

## 18.3 GENERAL RISKS

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

### 18.3.1 A1. Generic Risks

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

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

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

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

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

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

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

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

### 18.3.2 A2. Investment Risk

The investments in securities made by each Fund are subject to normal market fluctuations and other risks inherent in investing in securities. For example, the value of equity securities varies from day to day in response to activities of individual companies and general market and economic conditions. The value of investments and the income from them, and therefore the Net Asset Value of Shares can go down as well as up and an investor may lose money. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase.

18.3.3 **A3. Fixed Income Transferable Securities Risk**

To the extent that the funds invest in fixed income transferable securities, the following is applicable.

Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them. A Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Fund may experience losses and incur costs. Non-investment grade debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade securities tend to be more volatile than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities.

18.3.4. **A4. Market Risk**

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

18.3.5. **A5. Liquidity Risk**

Investments made by the Funds may be subject to liquidity constraints, which means that underlying securities may trade less frequently and in small volumes, for example shares in smaller companies. Securities of certain types, such as bonds, may also be subject to periods of lower liquidity in difficult market conditions. In certain circumstances, the Fund may not be able to purchase or sell assets in a timely manner and/or at a reasonable price. As a result, changes in the value of investments may be more unpredictable.

18.3.6. **A6. Specialist Investment Risk**

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

18.3.7. **A7. Inflation Risk**

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

18.3.8. **A8. Credit Risk**

In conducting its trading activities, the Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Most of the Fund's investments are in listed securities where settlement is on a delivery-versus-payment basis, however there may still be circumstances where the Company would incur a loss if a counterparty failed to perform its contractual obligations.

18.3.9. **A9. Taxation Risk**

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

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

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

18.3.11. **A11. Risk of Suspension**

Dealings in Shares of a Fund may be temporarily suspended in accordance with the procedures set out in the Section 7.11.7 headed "Suspension of dealings in the Company". In such an event, Shareholders in the relevant Fund would be unable to redeem their Shares for the duration of the suspension. If and when dealings recommence, the redemption price of the Shares will reflect the valuation at the time dealings recommence which may be lower than the price immediately before the suspension.

18.3.12. **A12. Derivatives Risk**

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

**With the exception of the First State Diversified Growth Fund, none of the Funds currently may use derivatives for the purposes of meeting their investment objectives. The ACD may establish additional Funds from time to time which may use derivatives for the purposes of**

**meeting their investment objectives. Such use will be subject to the limits from time to time laid down by the FCA.**

**The Funds may use derivatives for the purposes of EPM.**

**The use of derivative instruments, either for the purposes of EPM or for the purposes of meeting the relevant Fund's investment objective may include swaps (including total return swaps, interest rate swaps, zero-coupon swaps, cross currency swaps and credit default swaps), options (including exchange traded volatility options), futures (including exchange traded volatility futures, equity index futures, fixed income futures), convertible securities, credit-linked notes, forward currency transactions and non-deliverable forwards.**

Performance and value of derivative instruments depend on the performance or value of the underlying asset. Derivatives are sophisticated instruments that typically involve a small investment of cash relative to the magnitude of risks assumed. While the price reaction of certain derivatives to market changes may differ from traditional investments such as stocks and bonds, derivatives do not necessarily present greater market risks than traditional investments. The Funds seek to use these derivative instruments for investment purposes and/or Efficient Portfolio Management. Where derivatives are used to hedge various risks, hedging in a rising market may restrict potential gains as a result of a corresponding decrease in the value of the relevant derivative. The successful use of derivatives depends on a variety of factors, such as the Investment Manager's ability to manage these complex instruments, which require investment techniques and risk analysis that may be different from other investments, market movements and the quality of the correlation between derivative instruments and their underlying assets. The use of derivative instruments and hedging transactions may or may not achieve their intended objective and involves special risks, which may include the following risks outlined in the paragraph below.

The use of derivatives may expose a Fund to a higher degree of risk. While the judicious use of derivative instruments can be beneficial, they also involve risks different from, and in some certain cases, greater than, the risks associated with other investments. There is no guarantee that the use of derivative instruments will result in a positive return to a Fund and may result in losses. Certain derivatives could behave unexpectedly or could expose a fund to losses that are significantly greater than the original cost of the particular investment. This is because the use of derivatives may give rise to a form of leverage, and leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Fund's portfolio of securities and other instruments: therefore, a relatively small adverse market movement may not only result in the loss of the entire investment, but may also expose the relevant Fund to losses exceeding the amount originally invested or paid with respect to the particular derivative.

The following types of risks are amongst those relevant in relation to the use of derivatives by a Fund:

18.3.12.1. **Market Risk:** some derivatives are particularly sensitive to interest rate changes and market price fluctuations. The Fund could suffer losses related to its derivative positions as a result of unanticipated market movements, and these losses can be disproportionately magnified due to leverage.

18.3.12.2. **Volatility Risk:** a Fund's use of derivatives can increase the volatility of the Fund.

Volatility can be defined as the extent to which the price of an investment changes within a short time period. Small changes in the value of an underlying asset on which the value of a derivative is based can cause a large change in the value of the derivative.

18.3.12.3. **Liquidity Risk:** the inability of the Fund to sell or close a derivatives position could expose the Fund to losses. If the derivative transaction is particularly large or if the relevant market is illiquid (as can be the case with OTC derivative instruments) it may not be possible to initiate a transaction or liquidate a position at an advantageous price or within an advantageous timing, and the Fund may suffer losses.

18.3.12.4. **Counterparty Risk:** the Fund can be subject to the risk that its direct counterparty will not comply with the terms of the derivative contract (in particular, with respect to the payment and/or delivery obligations of a transaction) and may sustain losses as a result. The counterparty risk for an exchange-traded derivative instrument is generally less than for an OTC derivative given that exchange-traded transactions involving a CCP are generally backed by a number of protections (including clearing organisation guarantees, daily marking-to-market and margining, and segregation and minimum capital requirements applicable to intermediaries). In respect of OTC transactions, EMIR requires that each Fund exchange variation margin with its counterparties, in respect of mark to market exposure under certain types of derivative transaction, excluding physically settled FX forwards. Where a Fund is required to provide such margin to a counterparty, it will post cash on a title transfer basis. This means that the cash posted that will become an asset of the counterparty, and may be used by the counterparty until such time as the counterparty is contractually obliged to return it. Should the counterparty become insolvent at the time it holds such cash, the relevant Fund will only have a claim as an unsecured creditor of such counterparty in respect of such cash. Should a counterparty fail to return variation margin for any other reason, each Fund will again only have a claim as an unsecured creditor for the return of the amount of cash posted. There is a risk that a counterparty may breach its obligations to provide variation margin to any Fund. Variation margin may be insufficient to cover mark to market exposure in full, due to market movements between the time of calculation of exposure in order to make a margin call and (a) the time variation margin is received by each party; or (b) in a default scenario, the time the variation margin is sold. The terms on which each Fund agrees to exchange variation margin allow for a minimum transfer amount, which is a threshold in respect of each party's exposure to the other, below which no variation margin need be posted. This threshold is generally set at EUR, USD or GBP 250,000. Any exposure below this threshold will therefore be uncollateralised. No Fund currently expects to exchange initial margin under EMIR, since no Fund currently trades nor anticipates trading derivatives in an average aggregate notional amount of EUR 8 billion or greater.

18.3.12.5. **Recovery and Resolution Risk:** In light of the financial crisis, there has been a global initiative to establish a framework for the recovery and resolution of banks and investment firms. The intention behind this was to provide authorities with an opportunity to intervene early in a failing institution and to minimise the impact of that failure on the financial system.

A number of jurisdictions (including Europe and the US), have introduced or are in the process of introducing rules that would allow resolution authorities in the relevant country to write-down (i.e. reduce) or convert into equity the liabilities of a firm subject to resolution (a process known as 'bail-in').

The bail-in of liabilities due to the Company might materially alter the nature of its rights against the counterparty and the value of its claim.

To assist them in establishing an orderly resolution of a failing bank or investment firm, authorities have been given the power to impose a stay on or to override certain payment, margining and termination rights otherwise exercisable against a firm in resolution (either directly or by the requirement for mandatory contractual provisions to this effect).

Where a resolution authority imposes a stay on a counterparty to the Company, any rights the Company may have to terminate the relevant financial contract would be suspended for the period of the stay. This means that the Company would not during that period be able to terminate its contract with the counterparty in an effort to limit its loss.

The exercise of any resolution power or any suggestion of any such exercise could adversely affect the value of the Company's investments and could lead to an investor losing some or all of the value of the investor's investment in the Company.

18.3.12.6. **Hedging Risk:** The use of derivatives transactions to hedge against (a) decrease(s) in the value(s) of any asset(s) does not prevent such decrease(s) nor remove fluctuations in such value(s). Instead, hedging establishes other positions which seek to gain from such decrease(s), so mitigating their financial impact, to the extent that hedging counterparties perform their obligations in full. An Investment Manager may not seek to hedge any given risk perfectly, for example due to cost or the lack of availability of such a hedging transaction in the market. Fluctuations in the values of derivatives may not correlate perfectly with those of the underlying assets. Unanticipated changes in currency, interest rate, credit, bond and equity markets may not be mitigated by hedging transactions.

18.3.12.7. **Derivatives Clearing Risk:** EMIR requires that certain types of derivatives be cleared through CCPs that are authorised to do so under EMIR. It is currently expected that each Fund will become subject to this obligation in June 2019. However, it is already common practice to clear certain derivative transactions through CCPs even when there is no regulatory requirement to do so, due to advantages perceived by market participants such as pricing, liquidity and mitigation of credit risk.

Derivatives transactions may be cleared on:

a. an agency basis, which is market practice when dealing on U.S exchanges or with US CCP's: in these transactions the Fund will face the U.S. exchange or CCP as principal; or
b. a principal basis, which is market practice when dealing on European exchanges or with European CCP's: in these transactions the Fund will face its clearing broker (not the Exchange or CCP), and the clearing broker will face the Exchange or CCP in a back-to back transaction.

For both agency and principal models, it is usual for margin posted by each Fund to be held in an account of the clearing broker with the CCP, which also contains margin posted by other clients to the clearing broker (an "**Omnibus Account**"). Each Fund depends on the clearing broker informing the CCP as to which assets in the Omnibus Account are attributable to which client of the clearing broker, on an accurate and timely basis. To the extent that the clearing broker does not do this, margin provided by a Fund may be used to collateralise the positions of other clients of the clearing broker.

Should the clearing broker become insolvent, any assets the clearing broker holds on behalf of the Fund will be dealt with by the clearing broker's insolvency practitioner in accordance with the laws of the jurisdiction of the clearing broker, and may also be affected by the laws of the jurisdictions in which such assets are located. There can be no guarantee that such assets will be returned to the Fund in whole or part, and it is likely that such return will be delayed, and possible that such delay will be substantial. It may be possible to arrange for the derivatives transactions of the Fund to be transferred or "ported" to another clearing broker, assuming an entity willing and able so to act can be identified. Any transfer is likely to require the agreement of other clients who have posted margin to the Omnibus Account. Where porting is not possible, the relevant derivatives transactions will be terminated in accordance with the rules of the relevant CCP, and the relevant collateral liquidated, which could result in a loss to the Fund due to a change in value of such transactions and/or the margin posted, any shortfall in the value of the assets in the Omnibus Account as against amounts owed to the relevant CCP, and any permitted deduction of expenses incurred by the CCP as a result of the insolvency of the clearing broker.

Should a CCP become insolvent, or fail to perform its obligations for any other reason, each Fund will usually have to rely on the relevant clearing broker to take action against the CCP. The clearing broker's rights when so acting will depend on the laws of the jurisdiction of the CCP and the rules of the CCP. Such rights may also be affected by the laws of the jurisdictions in which such assets are located, in particular in relation to the recovery of assets posted as margin. It may not prove possible to transfer derivatives transactions cleared by the failed CCP to another CCP, in which event such transactions will be terminated in accordance with the laws of the jurisdiction of the CCP and the rules of the relevant CCP, and the relevant collateral liquidated, which could result in a loss to the Fund due to a change in value of such transactions and/or the margin posted, any shortfall in the value of the assets in the Omnibus Account as against amounts owed to the relevant CCP, and any permitted deduction of expenses incurred by the administrator of the CCP. There can be no guarantee that this process will result in payment to the Fund of the amounts due to it in whole or part, and it is likely that such payment will be delayed, and that such delay will be substantial.

18.3.12.8. **Other Risks:** other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments and in particular OTC derivatives may not have available or representative pricing. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the Company. A Fund may incur greater transaction costs by entering into a derivative transaction than it would have done by investing in the underlying or referenced asset(s) directly. The Company is also subject to the risk of the failure of any of the exchanges on which derivatives are traded or of their clearing houses. Furthermore, there are legal risks involved in using derivatives which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The Manager uses a risk management process, to monitor and measure as frequently as appropriate the risk of the Company's portfolio and contribution of the underlying investments to the overall risk profile of the Company.

Entering into any of the derivative transactions described above is a specialised from of portfolio management, which requires different skills from those required to manage a portfolio of securities only, and incurs different risks. If the Investment Manager's view of how the value of or credit risk of the relevant bonds, interest rates or currency exchange rates may move proves incorrect, losses may be incurred and the performance of relevant Fund may be worse than would have been the case had the Fund not entered into any derivative transactions.

18.3.13. **A13. Effect of Initial Charge Risk**

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

18.3.14. **A14. Dilution Adjustment Risk**

Investors should note that in certain circumstances a dilution adjustment may be made on their purchase or redemption of Shares as described in the section entitled "Buying, selling and switching shares".

18.3.15. **A15. Aggregation of Orders Risk**

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

18.3.16. **A16. Liabilities of the Fund Risk**

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

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

18.3.17. **A17. Counterparty Credit Risk**

A Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant Fund. This would include the counterparties to any derivative that it enters into. Trading in derivatives which have not been collateralised (where EMIR so permits, e.g. in the case of physically settled FX forward transactions) gives rise to greater direct counterparty exposure. The relevant Fund may mitigate some of its credit risk to its derivative counterparties by receiving collateral close to the value equal to the exposure to each counterparty but, to the extent that any derivative is not collateralised, a default by the counterparty may result in a reduction in the value of the Fund. A formal review of each new counterparty is completed, including an assessment of the financial strength of the proposed counterparty, and all approved counterparties are monitored and reviewed on an annual basis. The Fund maintains an active oversight of counterparty exposure and the collateral management process.

The Manager is free to use one or more separate counterparties for derivative investments.

18.3.18. **A18. MiFID II Risk**

18.3.18.1. **Extension of pre- and post-trade transparency:** MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage the Company, particularly in the fixed income markets. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

18.3.18.2. **Equities - mandatory on-exchange trading**: MiFID II introduces a new rule that an EU regulated firm may execute an equity trade only on an EU trading venue (or with a firm which is a systematic internaliser or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Investment Manager's ability to implement the Funds' investment objectives and policies is uncertain.

18.3.18.3. **OTC derivatives:** MiFID II requires certain standardised OTC derivatives to be executed on regulated trading venues. In addition, MiFID II introduces a new trading venue, the "Organised Trading Facility", which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on the Company or any Fund is uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Additionally, MiFID II requires national regulators (e.g. the FCA in the UK) to set limits on the positions that any market participant may hold in respect of EU commodity derivatives and EU commodity exchange traded funds traded on an EU regulated market, multilateral trading facility, organised trading facility or any trading venue outside the European Union that is deemed equivalent to any of these trading platforms. Accordingly, European regulators have set limits, and may from time to time revise such limits. Any such regulator may require a person to reduce the size of a position in such EU commodity products, which may result in a loss in respect of the relevant transaction or investment.

18.3.18.4. **Changes to use of direct market access:** MiFID II introduces new requirements on EU banks and brokers which offer direct market access ("DMA") services to allow their clients to trade on EU trading venues via their trading systems. EU DMA providers will be required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It will also be necessary for the EU DMA provider to enter into a binding written agreement with its clients, which deals with compliance with MiFID II and the trading venue rules. These changes may affect the implementation of any Fund's investment policies.

18.3.18.5. **Access to research:** MiFID II prohibits an EU authorised investment firm from receiving investment research unless it is paid for directly by the firm out of its own resources or from a separate research payment account. EU research providers that are MiFID firms will be obliged to price their research services separately from their execution services. It is uncertain whether these changes will lead to an overall increase in the price of research and/or lead to reduced access to research for the Investment Manager or any Sub-Investment Manager in relation to any Fund’s investment policy.

18.3.19. **A19. BREXIT Risk**

On 29 March 2017, the Government of the United Kingdom formally notified the European Union that it will leave the European Union. The outcome of the exit negotiations and the future economic and political relationship between the United Kingdom and the European Union (and between the United Kingdom and other countries by agreement) is uncertain, and a period of economic and political uncertainty is expected. The result of the United Kingdom's referendum has caused currency movements and volatility in global markets, and may continue to do so as events develop.

An exit of the United Kingdom from the European Union will result in regulatory changes, which may be adverse to the Company, the ACD, the Investment Manager and other parties providing services in connection with the Company. For example, unless specifically provided for in other legislation, funds established as UCITS in the UK (such as the Company) will no longer fall within the UCITS Directive. The FCA would regard such a fund for UK regulatory purposes as a type of non-UCITS retail fund, which would be categorised as an Alternative Investment Fund (AIF) under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers. In the event that the Company becomes classified as an AIF, further marketing of the Company in the European Union by the ACD and its associates will cease. The ultimate nature and extent of the impact of these events on the Company, the ACD, the Investment Manager and the Company’s other services providers are uncertain, but may be significant.

Domestic tax provisions in European Union countries where the Company invests provide for withholding tax elimination or reduction are expected to cease on the date the United Kingdom leaves the European Union. The impact of these events on the Company are uncertain and could be significant in the event that a Fund invests to a significant extent in the European Union.

18.3.20. **A.20 Collateral Posting Requirements Risk**

EMIR requires that each Fund exchange variation margin with its counterparties, in respect of mark to market exposure under certain types of derivative transaction, excluding physically settled FX forwards. The variation margin each Fund receives from its derivatives counterparties will mitigate exposure. However, where a Fund is required to provide such margin to a counterparty, it be required will post cash on a title transfer basis, which will decrease the assets of the Fund. See also “Counterparty Risk” above.

**18.3.21. A.21 Cyber Security Risk**

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Company, the Company’s service providers, and their respective operations, to potential risks from cyber-attacks or other security incidents (collectively, “security incidents”).

Security incidents may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional security incidents, unintentional security incidents can occur, such as, for example, the inadvertent release of confidential information. Although the Company and the Company's service providers take reasonable steps to mitigate security incidents and their impact when they occur, these steps are not guaranteed to be successful and any security incident could adversely impact the Company and the Shareholders, and cause a Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A security incident may cause the Company, a Fund, or the Company's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, security incidents also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the Company's service providers. In addition, security incidents affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

#### 18.3.22. A.22 Eurozone crisis Risk

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

### 18.4 FUND SPECIFIC RISKS

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

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

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

Companies in emerging markets may not be subject:

i. to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;

ii. to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

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

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

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

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

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

Other risks include but are not limited to:

a. fluctuations in the value of cash, securities or other assets denominated in the currency of any emerging market jurisdiction;

b. legal uncertainty as to the interpretation and enforceability of contractual terms, laws and regulations (including, without limitation, tax legislation) Uncertainty as to the impartiality of courts, tribunals and enforcement authorities. Legal proceedings may be protracted; and

c. political, social and financial instability, including the risks of expropriation of assets and unexpected changes in laws and regulations (including, without limitation tax legislation)

18.4.2. **C. Indian Subcontinent Risk**

The First State Indian Subcontinent All-Cap Fund and the Stewart Investors Indian Subcontinent Sustainability Fund* invest to a large extent in companies incorporated in, with significant operations in, or listed on Regulated Markets in India and the other countries of the Indian subcontinent.

* The Stewart Investors Indian Subcontinent Sustainability Fund was known as the Stewart Investors Indian Subcontinent Fund prior to the 14 January 2019.

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

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

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

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

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

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

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

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

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

18.4.3. **D. China Market Risk**

Investing in the People's Republic of China ("PRC" or "China") is subject to the risks of investing in Emerging Markets generally and the risks specific to the China market. A Fund's operations and financial results could be adversely affected by adjustments in Chinese state plans, political, economic and social conditions, changes in the policies of the Chinese government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. The transformation from a centrally planned, socialist economy to a more market-oriented economy has resulted in many economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful. In the past, the Chinese government has applied measures such as nationalisation, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of the relevant Fund.

The PRC's disclosure and regulatory standards may in some respects be less stringent than standards in many OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies based in OECD countries and such information may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. As a result, the lower levels of disclosure and transparency with respect to certain material information may lead to the Investment Manager coming to inaccurate conclusions at the time of investing in China A Shares (as defined below). This, if combined with a weak regulatory environment, could result in lower standards of corporate governance.

The PRC securities markets, including the Shanghai and Shenzhen Stock Exchanges and the China Interbank Bond Market, are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to that in markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC security market and activities of investors, brokers and other participants to that in certain OECD markets. On another hand, the Shanghai and Shenzhen Stock Exchanges and the China Interbank Bond Market may have lower trading volumes than some OECD exchanges. The listed equity securities of many companies in the PRC may be less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities market and of quoted companies may also be less developed than in many OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants with respect to investments made through securities systems or established markets. The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the relevant Funds.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that these tax incentives will not be abolished in the future.

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

#### 18.4.4.1 **E1. Introduction**

China A shares are Renminbi denominated shares in companies that are listed in the PRC on the Shanghai and Shenzhen Stock Exchanges ("China A Shares"). China A Shares may generally only be purchased by PRC investors, or by non-PRC investors that have either obtained qualified foreign institutional investor ("QFII") status in the PRC, and which invest via the qualified foreign institutional investor scheme (the "QFII scheme"), or investors that have obtained the Renminbi qualified foreign institutional investor ("RQFII") status in the PRC and which invest via the Renminbi qualified foreign institutional investor scheme (the "RQFII scheme"), or via other channel(s) and regime(s) as permitted under applicable PRC laws and regulations (such as the Stock Connects, as further detailed below).

The Investment Manager has been granted a licence from the China Securities Regulatory Commission ("CSRC") to act as a QFII and has been granted an investment quota (the "QFII quota") by the State Administration of Foreign Exchange ("SAFE"). The obtaining of the QFII licence and the QFII quota permit the Investment Manager to invest directly in China A Shares on behalf of certain Funds within the Company.

The relevant Funds do not have exclusive use of the Investment Manager's QFII quota, which is also used by the Investment Manager to invest directly in China A Shares on behalf of other collective investment schemes for which it acts as investment manager or sub-investment manager (each, for the purposes of this risk factor 18.4.4. E, an "Other Scheme").

The Investment Manager has been granted a licence from CSRC to act as a RQFII. Each holder of an RQFII licence may obtain a base quota which does not exceed a certain percentage of the amount of its assets under its management. As the desired RQFII quota surpasses the base quota, the Investment Manager had to seek approval from SAFE and this quota was granted by the regulator on 25 August 2017. The RQFII quota granted by SAFE will be allocated to individual Funds at the discretion of the Investment Manager to meet investment needs.

The Investment Manager may also invest in China A Shares through the Stock Connects. Further information in relation to Stock Connects are set out below.

The Funds can therefore gain exposure to China A Shares either by investing: (i) directly in China A Shares via the Investment Manager's QFII and/or RQFII quota and/or, (ii) indirectly by investing in an Other Scheme where the Other Scheme invests in China A Shares via the Investment Manager's QFII and/or RQFII quota, and/or (iii) directly in China A Shares via the Stock Connects.

18.4.4.1.i. Direct investment in China A Shares via the Investment Manager's QFII and/or RQFII quota

The following Funds are able to gain exposure to China A Shares directly by investing in China A Shares either via the Investment Manager's QFII and/or RQFII quota to the extent permissible under the COLL Sourcebook:

QFII – No funds

QFII and RQFII - The First State Greater China Growth Fund

RQFII – The First State All China Fund, the First State Asia All-Cap Fund, the First State Asia Focus Fund, the First State Global Emerging Markets Focus Fund, the Stewart Investors Asia Pacific Fund, the Stewart Investors Asia Pacific Leaders Fund, the Stewart Investors Asia Pacific Sustainability Fund, the Stewart Investors Global Emerging Markets Leaders Fund, the Stewart Investors Global Emerging Markets Sustainability Fund, the Stewart Investors Worldwide Equity Fund, the Stewart Investors Worldwide Leaders Fund and the Stewart Investors Worldwide Sustainability Fund.

18.4.4.1.ii. Indirect investment in China A Shares through investment in Other Schemes

The following Funds are able to gain exposure to China A Shares indirectly through investment in Other Schemes to the extent permissible under the COLL Sourcebook:

The First State All China Fund, the First State Asia All-Cap Fund, First State Asia Focus Fund, the First State Global Emerging Markets Focus Fund, the First State Greater China Growth Fund, the Stewart Investors Asia Pacific Fund, the Stewart Investors Asia Pacific Leaders Fund, the Stewart Investors Asia Pacific Sustainability Fund, the Stewart Investors Global Emerging

Markets Fund, the Stewart Investors Global Emerging Markets Leaders Fund and the Stewart Investors Global Emerging Markets Sustainability Fund.

18.4.4.1.iii. Direct investment in China A Shares via the Stock Connects

The following Funds are able to gain exposure to China A Shares via the Stock Connects to the extent permissible under the COLL Sourcebook:

The First State All China Fund, the First State Asia All Cap Fund, the First State Asia Focus Fund, the First State Global Emerging Markets Focus Fund, the First State Greater China Growth Fund, the Stewart Investors Asia Pacific Fund, the Stewart Investors Asia Pacific Leaders Fund, the Stewart Investors Asia Pacific Sustainability Fund, the Stewart Investors Global Emerging Markets Fund, the Stewart Investors Global Emerging Markets Leaders Fund, the Stewart Investors Global Emerging Markets Sustainability Fund, the Stewart Investors Worldwide Equity Fund, the Stewart Investors Worldwide Select Fund* and the Stewart Investors Worldwide Sustainability Fund.

* The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

18.4.4.2.**E2. General China A Shares Risks**

Exposure to China A Shares involves the taking of certain risks which are inherent in such an investment, including the following:

18.4.4.2.i. Uncertainty on the applicable regulations

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

18.4.4.2.ii Currency risk

The Renminbi is not, as of the date of this Prospectus, a freely convertible currency, and is subject to the foreign exchange control policies of the Chinese government.

Investments by the Funds in China A Shares will be made in Renminbi, and the Funds will therefore be exposed to any fluctuation in the exchange rate between the Base Currency of the relevant Fund and the Renminbi in respect of such investment. The Funds may also be adversely affected by controls of currency conversions by the Chinese government.

For the purposes of investment through the QFII scheme, Renminbi are exchangeable into US Dollars at prevailing market rates. The relevant Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in losses to the relevant Fund.

There can be no assurance that the Renminbi will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop.

18.4.4.2.iii Risks relating to suspension of the China stock markets

Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges on China A Shares, whereby trading in any China A Shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make any dealing with the existing positions impossible and would potentially expose the relevant Fund to losses. Further, when the suspension is subsequently lifted, it may not be possible for the Fund to liquidate positions at a favourable price, which could also entail losses for the Fund.

18.4.4.2.iv Disclosure of Interests and Short Swing Profit Rule

Under the PRC disclosure of interests requirements, the Company may be deemed to be acting in concert with other investors (for example, funds managed within the Investment Manager's group) and may be subject to the risk that the Company's holdings may have to be reported in aggregate with the holdings of such other funds should the aggregate holding trigger the reporting threshold under the PRC law, currently being 5% of the total shares in issue of the relevant PRC listed company.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the relevant Fund's investments with the result that where the holdings of the relevant Fund (possibly in aggregate with the holdings of other investors deemed as concert parties of the Company) exceed 5% of the total shares in issue of a PRC listed company, the relevant Fund may not reduce its holdings in such company for a period of six months following its last purchase of shares of such company. The Investment Manager has sought to mitigate this risk by monitoring aggregate holdings within the Investment Manager’s group.

However, if the Company or any fund within the Investment Manager’s group violates the rule and sells any of its holdings in such company in the six month period, it may be required by the listed company to return any profits realised from such trading to the listed company.

18.4.4.2.v. Foreign Investor Holding

Under current rules in China, a single foreign investor’s shareholding in a listed company is limited to 10% of the company’s total issued shares. In addition, all foreign investors’ shareholdings in the China A Shares of a listed company (whether through Stock Connect, QFII or RQFII) are not permitted in aggregate to exceed 30% of its total issued shares. If the aggregate foreign shareholdings of the China A Shares of a single issuer exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five trading days. The Company and its brokers are unlikely to have visibility on whether the Company’s investments will be subject to the force-sell requirements. Where the investments of a Fund are subject to a forced sale, the usual investment parameters under which investment decisions are made for the Fund will not be adhered to.

18.4.4.2.vi Custody risks

China A Shares traded on the Shanghai and Shenzhen Stock Exchanges are dealt and held in dematerialized form through the China Securities Depository and Clearing Corporation Limited (“CSDCC”). Securities purchased on behalf of a Fund through the Investment Manager’s QFII or RQFII quota are required to be recorded by CSDCC as credited to a securities trading account maintained in the joint names of the Investment Manager and the relevant Fund, which is approved by SAFE. As a matter of PRC law, the Investment Manager as QFII or RQFII should have no ownership interest in the securities and the relevant Fund should be ultimately and exclusively entitled to ownership of the securities. However, given that the Investment Manager belongs to a group of companies, there is a risk that creditors of the group may incorrectly assume that the relevant Fund’s assets belong to the group and such creditors may seek to gain control of such Fund’s assets in lieu of such liabilities.

The evidence of title of exchange-traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

In the event that there is an over-purchase of PRC securities by the QFII or RQFII on behalf of the Fund, the CSDCC may require collateral from the Fund’s securities trading account. It is possible that the PRC custodian may also be required by law to select and provide CSDCC with PRC securities from the securities account as collateral for the over-purchase of a party other than the Company or the Investment Manager and investors should note that the relevant Fund’s assets may be so provided to the CSDCC.

Investors should note that cash deposited in the cash account of a Fund with the PRC custodian will not be segregated but will be a debt owed from the PRC custodian to such Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC custodian. In the event of bankruptcy or liquidation of the PRC custodian, the relevant Fund will not have any proprietary rights to the cash deposited in such cash account, and such Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors of the PRC custodian. The relevant Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case such Fund will suffer losses.

### 18.4.4.3. **E3. Risks Specific to Direct Investment in China A Shares via a QFII and/or RQFII Licence**

#### 18.4.4.3.i. <u>QFII and RQFII regulations</u>

The State Administration of Foreign Exchange (“SAFE”) issued a fully updated version of the “Regulations on the Foreign Exchange Administration of Domestic Securities Investments by Qualified Foreign Institutional Investors” on 12 June 2018 (“SAFE Regulation for QFII 2018”) and on the same date, alongside the People’s Bank of China, jointly issued the “Circular on Issues Concerning the Administration of Domestic Securities Investment by RMB Qualified Foreign Institutional Investors” (“SAFE Regulation for RQFII 2018”) . These rules constitute a thorough reform of the QFII/RQFII scheme and eased the restriction on foreign institutional investors’ access to China’s financial market. However, the QFII and RQFII regulations under which the relevant Fund will invest in the PRC via the Investment Manager's QFII or RQFII quota are relatively new and give CSRC, the People's Bank of China and SAFE wide discretion on their interpretation. There are no precedents on how such discretion might be exercised for issues that have not been clearly provided in the QFII and RQFII regulations, therefore leaving a considerable amount of uncertainty. Such QFII and RQFII regulations are undergoing continual change: they may therefore be subject to further revisions in the future, and there is no assurance that such revisions would not prejudice QFIIs and RQFIIs, or result in the substantial or entire removal of QFII and/or RQFII quotas (including the quota utilised for the Funds). CSRC, the

People's Bank of China and/or SAFE may have power in the future to impose new restrictions or conditions on or terminate the Investment Manager's QFII and/or RQFII status or determine that the relevant Fund is no longer permitted to operate under the QFII and/or RQFII regime, which may adversely affect the Funds and investors. It is not possible to predict how such changes would affect the Funds.

The prevailing rules and regulations governing QFII and RQFII licence holders impose restrictions on the types of investments and restrictions on remittance as well as on the repatriation of principal and profits in relation to China A Shares, which may restrict or affect a Fund's investments.

The cumulative amount of investment principle remitted into PRC in respect of QFIIs and RQFIIs shall not exceed their investment quotas that have been filed for record or approved. If the Investment Manager (as a QFII) fails to use its QFII investment quota within one year upon the investment quota has been filed for record or approved, SAFE has the right to reduce or revoke of the investment quote that have not been used. The same rule applies to RQFII. Such requirements may change from time to time. Repatriations in Renminbi conducted by RQFIIs in respect of an open-ended RQFII fund are not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the PRC custodian. The SAFE Regulations for QFII 2018 and the SAFE Regulation for RQFII 2018 have removed the three-month investment principle lock-up period, which allows QFIIs and RQFIIs to repatriate funds according to their own investment requirements. Also, the restriction of monthly fund repatriation limit of 20% of the previous year's total domestic assets in respect for QFIIs stipulated in the SAFE Regulation for QFII issued in 2016 has been removed from the SAFE Regulations for QFII 2018. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed again in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the relevant Fund's ability to meet redemption requests from the Shareholders.

The PRC laws and practice consequently affect the Investment Manager's ability to liquidate investments and to remit the proceeds thereof out of the PRC. As mentioned above, SAFE Regulations for QFII 2018 and SAFE Regulations for RQFII 2018 have removed the three months investment principle lock up period and the 20% restriction on remittance. However, the repatriation of monies to the relevant Fund from the Investment Manager's QFII and RQFII quota is still subject to relevant reporting requirements, authenticity and compliance reviews by custodians, and the supervision and administration by SAFE. Further, as mentioned above, the QFII and RQFII regulations are relatively new and are subject to uncertainty in the application of their provisions. The QFII and RQFII regulations and/or the approach adopted in relation to the repatriation limit may change from time to time (although being removed for now). If the repatriation limit is imposed again in the future, a repatriation of principal and/or profits over and above the limit may require approval from SAFE which may delay payment of redemption proceeds; there is no assurance that such approval will be granted, and redemption of Shares may be affected.

The restrictions on the repatriation of principal and profits imposed by the QFII regulations (if any in the future) may also have an adverse impact on the liquidity of the relevant Fund's portfolio. The Investment Manager will nevertheless ensure that the overall liquidity of the relevant Funds' portfolios is maintained.

Furthermore, as the PRC custodian's review on authenticity and compliance is conducted on each repatriation, repatriation may be delayed or even rejected by the PRC custodian in cases of non-compliance with the relevant regulations. In such a case, there may be an impact on the relevant Fund's ability to meet redemption requests in a timely manner. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

QFIIs and RQFIIs may carry out foreign exchange derivatives investments through qualified custodians or domestic financial institutions to hedge their foreign exchange risk exposure incurred from its domestic securities investments. But the derivatives positions held by QFIIs/RQFIIs shall not exceed the RMB asset size corresponding to their domestic securities investments in the preceding month. The custodian will monitor and assess the relevant RMB asset size. Derivatives positions may be adjusted every month within 5 days after the end of each month. Please note that if the PRC custodian violates relevant foreign exchange administration rules when assisting QFIIs in the derivatives investments or fails to monitor and assess the RMB asset size of QFIIs, the SAFE will impose relevant punishments on the PRC custodian and therefore may affect the derivatives investments of QFIIs.

Moreover, pursuant to the SAFE Regulation for RQFII 2018, RQFIIs shall open a basic RMB deposit account. But it should be noted that funds for domestic securities investment shall not be placed into the basic RMB deposit account. In addition, a special deposit account which contains securities transaction account and domestic derivatives account shall be opened by custodian for RQFIIs and the funds in different securities transaction accounts opened for one same product/capital (self-owned funds, client funds, open-ended fund) of a RQFII can be transferred from one to another.

Investors should also note that there can be no assurance that the Investment Manager will be granted RQFII status, continue to maintain such RQFII status (if granted) or to use its RQFII quota, or that a Fund will be allocated a sufficient portion of the RQFII quota from the Investment Manager to achieve the investment objective and policy of the relevant Fund, or that redemption requests can be processed in a timely manner in the case of adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications for subscriptions or a suspension of dealings of the relevant Fund. In extreme circumstances, the relevant Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to insufficiency of RQFII quota.

18.4.4.3.ii Dependence on the Investment Manager's QFII and/or RQFII quota

To achieve its objective of gaining exposure to the China A Shares via the QFII and/or RQFII scheme, the relevant Fund is dependent on having access to a QFII and/or RQFII quota and on obtaining advice in relation to its investments in the PRC markets. The relevant Fund will invest via the Investment Manager's QFII and/or RQFII quota and its investments will be managed by the Investment Manager under the Investment Management Agreement (as further described in the 'Management and Administration' section, under the heading "The Investment Manager").

Should the Investment Manager for any reason be subject to a reduction or a revocation of its QFII and/or RQFII quota, the relevant Funds may partly or totally lose access to the Investment Manager's QFII and/or RQFII quota. If the Investment Management Agreement is terminated and the Company is not able to enter into suitable replacement agreements, the relevant Funds will lose access to the Investment Manager's QFII and/or RQFII quota and may no longer be able to invest directly into China A Shares via the QFII and/or RQFII scheme.

As set out above, the relevant Funds do not have exclusive use of the Investment Manager's QFII or RQFII quota. Investors should be aware that the QFII and RQFII regulations generally apply to the Investment Manager (and its QFII or RQFII quota) as a whole and not solely in relation to the investments made for the relevant Funds: such Funds may therefore be adversely affected for reasons linked to the use of the QFII and/or RQFII quota for Other Schemes (for example, the Funds could be exposed to particular disclosure requirements or suffer from regulatory action linked to a breach of the QFII and/or RQFII regulations). There is no assurance that sufficient QFII and/or RQFII quota will be allocated to such Funds to meet their planned investment in China A Shares via the QFII or RQFII scheme. If at any time the RQFII quota of a Fund has been fully invested, the relevant Fund's ability to invest proceeds from the issue of shares in further China A Shares may be restricted and, as a consequence, the Fund may need to seek alternative investment opportunities or, in extreme circumstances, to reject or suspend applications for the subscription of shares.

SAFE is vested with the power to impose regulatory sanctions if the RQFII licence holder or the PRC custodian violates any provision of the RQFII regulations. Any violations could result in the revocation of the RQFII licence holder's quota or other regulatory sanctions and may adversely impact the portion of the RQFII licence holder's quota made available for investment by the relevant Fund.

18.4.4.3.iii. PRC Brokers and Best Execution

The relevant Fund may have difficulty in consistently obtaining best execution for all transactions in China A Shares as a consequence of restrictions/limitations under applicable QFII and RQFII regulations or operational constraints such as the restriction/limitation as to the number of brokers that the Investment Manager as QFII or RQFII may appoint. The relevant Fund will use one or more PRC brokers appointed by the Investment Manager to execute transactions in the PRC markets for the account of such Fund. If a PRC broker offers the standards of execution which the Investment Manager reasonably believes to be amongst best practice in the PRC marketplace, the Investment Manager may determine that it should consistently execute transactions with that PRC broker (including where it is an affiliate) notwithstanding that such transactions may not be executed at the best price and such PRC brokers shall have no liability to account to the relevant Fund in respect of the difference between the price at which the relevant transactions have been executed and any other price that may have been available in the market at that relevant time. Pursuant to the QFII and RQFII regulations, there can be no guarantee that the execution of transactions will be at the best price available or that best execution of all transactions can be achieved. In addition, in the event of any default, bankruptcy or disqualification of the PRC broker, a Fund may encounter delays in recovering its assets, which may in turn impact the Net Asset Value of the relevant Fund.

18.4.4.3.iv. Taxation

In November 2014, the Chinese authorities released a statement confirming that foreign investors will not be subject to Chinese taxation on gains on the trading of shares through the QFII or RQFII licence (on the basis that the QFII or RQFII licence holder is without an establishment or place in the PRC or having an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment or place). This exemption is a temporary exemption with no indication of an expiry date therefore there can be no certainty that the China A Shares will not attract a liability to tax in the future. This tax may be levied on any capital gain that such shares have or on any other aspect of such shares. There can be no certainty of the level of tax which will apply or the period which it will be levied in respect of.

The Investment Manager as QFII or RQFII may retain an amount from the performance of such shares to be able to satisfy any such liability in the event that it arises.

### 18.4.4.4. E4. Risks Specific to Indirect Investment in China A Shares via an Other Scheme

The above restrictions imposed on QFII or RQFII licence holders by the PRC government may have an adverse effect on an Other Scheme's liquidity and performance. Accordingly, the Company, the Fund or the Other Scheme itself may not be able to sell or decrease exposure to China A Shares in which the Other Scheme has invested even in the event that it wishes to do so.

### 18.4.4.5. E5. Conflicts of Interest

The direct or indirect investment of the Company in China A Shares, in either case via the Investment Manager's QFII or RQFII licence may create a conflict of interest with the Company, an Other Scheme and the Investment Manager. In particular, the Investment Manager may be faced with conflicting interests at the time of allocating its QFII and/or RQFII quota between the relevant Funds of the Company, an Other Scheme and any other client.

However, in accordance with its conflicts of interest policy, the Investment Manager will endeavour to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients in the event that any such conflict arises.

### 18.4.4.6. E6. Risks specific to Investment in eligible China A Shares via the Stock Connects

Applicable to the First State All China Fund, the First State Asia All Cap Fund, the First State Asia Focus Fund, the First State Global Emerging Markets Focus Fund, the First State Greater China Growth Fund, the Stewart Investors Asia Pacific Fund, the Stewart Investors Asia Pacific Leaders Fund, the Stewart Investors Asia Pacific Sustainability Fund, the Stewart Investors Global Emerging Markets Fund, the Stewart Investors Global Emerging Markets Leaders Fund, the Stewart Investors Global Emerging Markets Sustainability Fund, the Stewart Investors Worldwide Equity Fund, the Stewart Investors Worldwide Select Fund* and the Stewart Investors Worldwide Sustainability Fund.

* The Stewart Investors Worldwide Select Fund was known as the Stewart Investors Worldwide Leaders Fund prior to the 14 January 2019.

#### 18.4.4.6.i General Overview

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by the Hong Kong Exchanges and Clearing Limited ("HKEx"), the Shanghai Stock Exchange ("SSE") and the China Securities Depositary and Clearing Corporation Limited ("ChinaClear") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by the HKEx, the Shenzhen Stock Exchange ("SZSE") and ChinaClear. The aim of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (the "Stock Connects") is to achieve mutual stock market access between the PRC and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers, sub-custodians and a securities trading service company established by the Stock Exchange of Hong Kong ("SEHK"), may be able to trade eligible China A Shares listed on the SSE ("SSE Securities") by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014 under a joint announcement issued by the Securities and Futures Commission of Hong Kong ("SFC") and the China Securities Regulatory Commission ("CSRC") on 10 November 2014.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers, sub-custodians and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE ("SZSE securities") by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shenzhen-Hong Kong Stock Connect commenced trading on 5 December 2016 under a joint announcement issued by the SFC and the CSRC on 16 August 2016.

18.4.4.6.ii. Eligible Securities

a. The Shanghai-Hong Kong Stock Connect

Under the Shanghai-Hong Kong Stock Connect, the relevant Funds, through the Hong Kong brokers may trade ("SSE securities"). These include all the constituent stocks from time to time of the SSE 180 Index, SSE 380 Index and Sci-Tech Innovation Board, and all the SSE-listed China A shares that are not included as constituent stocks of the relevant indices but which have corresponding H Shares listed on SEHK, except the following:

i. SSE-listed shares which are not traded in RMB; and

ii. SSE-listed shares which are included in the "risk alert board" or under a delisting arrangement

It is expected that the list of eligible securities will be subject to review and may change.

b. The Shenzhen-Hong Kong Stock Connect

Under the Shenzhen-Hong Kong Stock Connect, the relevant Funds, through the Hong Kong brokers may trade SZSE securities. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all the SZSE-listed China A Shares Shares which have corresponding H shares listed on SEHK, except the following:

i. SZSE-listed shares which are not traded in RMB; and.

ii. SZSE-listed shares which are included in the "risk alert board" or under a delisting arrangement.

At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors (and the relevant Funds will qualify as such) as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review and may change.

18.4.4.6.iii. Trading Quota

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connects will be subject to a daily quota ("Daily Quota"). The Northbound Shanghai Trading Link and the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect and the Northbound Shenzhen Trading Link and the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect, will be subject to a separate set of Daily Quota respectively. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connects each day. The Northbound Daily Quota is currently set at RMB52 billion for each of the Stock Connect, SEHK will monitor the Daily Quota and publish the remaining balance of the Northbound Daily Quota regularly on the HKEx's website.

18.4.4.6.iv. Settlement and Custody

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEx, and ChinaClear will be responsible for the clearing, settlement and the provision of depositary, nominee and other related services of the trades executed by their respective market participants and investors. The SSE securities and SZSE securities traded through the Stock Connects are issued in uncertificated form and investors will not hold any physical certificates in relation to these securities. Hong Kong and overseas investors who have acquired SSE securities or SZSE securities through Northbound trading should maintain the SSE securities or SZSE securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

18.4.4.6.v. Corporate Actions and Shareholders' Meetings

Although HKSCC does not claim proprietary interests in the SSE securities and SZSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE securities and SZSE securities.

HKSCC will monitor the corporate actions affecting SSE securities and SZSE securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

Companies listed on the SSE or SZSE usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

A failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of SSE securities and/or SZSE securities and/or monies in connection with them and the relevant Funds may suffer losses as a result.

18.4.4.6.vi. Trading Fees

Under the Stock Connects, Hong Kong and overseas investors (including the relevant Funds) will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE securities and SZSE securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

18.4.4.6.vii. Safekeeping by the Depositary under UCITS requirements

The Depositary shall provide for the safekeeping of the Fund's assets in the PRC through its Global Custody Network. Such safekeeping requires the Depository to retain control over the SSE securities and SZSE securities at all times.

18.4.4.7 **E7. Specific Risks Applicable to investing via the Stock Connects**

In addition to the risk factors "18.3.1. B. Emerging Markets Risks" and "18.3.3. D. China Market Risk" the following additional risks apply:-

i. *Quota Limitations* The Stock Connects are subject to quota limitations, as detailed above. In particular, the Stock Connects are subject to a Daily Quota which does not relate to the relevant Funds and can only be utilised on a first-come-first-serve basis. Once the remaining balance of the Northbound Daily Quota drops to zero or is exceeded during the opening call auction session, new buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Fund's ability to invest in SSE securities and SZSE securities through the Stock Connects on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.

b. *Taxation Risk* Pursuant to the "Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect" (Caishui [2014] No. 81) ("Notice No. 81") and the "Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect" (Caishui [2016] No. 127) ("Notice No. 127") promulgated by the Ministry of Finance of the Peoples Republic of China, the State Administration of Taxation of the Peoples Republic of China and the CSRC on 14 November 2014 and 5 November 2016 respectively, corporate income tax ("CIT") is temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the relevant Funds) on the trading of China A Shares through the Stock Connects. For both Stock Connects, during the business tax to value-added tax transformation pilot programme, value-added tax shall be exempt on the income earned by Hong Kong and overseas investors (including the relevant Funds) from the trading of SSE securities and SZSE securities.

Based on Notice No. 81 and Notice No. 127, and having consulted professional and independent tax advisers, no provision for gross realised or unrealised capital gains derived from trading of China A Shares via the Stock Connects is made by the Company on behalf of the relevant Funds.

The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and worst case, retrospectively. In addition, the PRC tax authorities may implement other tax rules with retrospective effect which may adversely affect the relevant Funds. If the temporary exemption is withdrawn a foreign investor would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would be payable by the relevant Funds, and thus borne by its investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors.

iii. *Legal / Beneficial Ownership* The SSE securities in respect of the relevant Funds will be held by the Depositary/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the SSE securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear, HKSCC is only a nominee holder and relevant Funds remain the beneficial owner of the SSE securities. The relevant Fund's title or interests in, and entitlements to SSE securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. CCASS Rule 824 confirms that all proprietary interests in respect of China A Shares held by HKSCC as nominee holder belong to CCASS participants or their clients (as the case may be). Also as set out in CCASS Rule 824, HKSCC is prepared to provide assistance to the beneficial owners of China A Shares, where necessary, to provide certification to ChinaClear for the purpose of providing evidential proof of the CCASS participant's or its client's holding in China A Shares; and to assist the CCASS participant or its client bringing the legal action in the PRC in the manner as may be required under PRC law, after having regard to its statutory duties and subject to such conditions as HKSCC may reasonably require (including payment of fees and costs upfront and indemnities to the satisfaction of HKSCC).

It is expected that the same nominee holder arrangement will apply to Shenzhen-Hong Kong Stock Connect.

Although the relevant CSRC regulations and ChinaClear rules generally provide for the concept of a "nominee holder" and recognise the Hong Kong and overseas investors (including the relevant Fund) as the ultimate owners who would be recognised under the laws and regulations of the PRC as having beneficial ownership in the China A Shares traded via the Stock Connects, how an investor such as the relevant Fund, as the beneficial owner of the China A Shares, under the Stock Connects structure, exercises and enforces its rights over the China A Shares in the PRC courts are to be tested.

iv. *Clearing and Settlement Risk* HKSCC and ChinaClear have established clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear, but it is not obliged to do so. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if available. In the event of a ChinaClear default, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

v. *Suspension Risk* Each of the SEHK, SSE and SZSE reserves the right to suspend trading of SSE securities and SZSE securities purchased on the Stock Connects if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension of Northbound trading is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, the relevant Fund's ability to access the PRC market through Stock Connects will be adversely affected.

vi. *Differences in Trading Day* The Stock Connects will only operate on days when the Shanghai or Shenzhen and Hong Kong markets are open for trading and when banks in both sets of markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the SSE or SZSE market but the relevant Funds cannot carry out any SSE securities or SZSE securities trading via the Stock Connects. The relevant Funds may be subject to a risk of price fluctuations in SSE securities and SZSE securities during any time when the Stock Connects are not trading as a result.

vii. *Restrictions on Selling Imposed by Front-end Monitoring* PRC regulations require that before an investor sells any share, there should be sufficient shares in the account otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on SSE securities and SZSE securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If a Fund intends to sell certain SSE securities and SZSE securities it holds, it must ensure the availability of those securities is confirmed by its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the relevant Fund may not be able to dispose of its holdings of SSE securities and SZSE securities in a timely manner.

viii. *Operational Risk* The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or the relevant clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an ongoing basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A relevant Fund's ability to access the PRC market (and hence to pursue its investment strategy) may be adversely affected.

ix. *Regulatory Risk* The current regulations relating to the Stock Connects are untested and there is no certainty as to how they will be applied. Using the Stock Connects as a means of investment will result in trades being subject to additional restrictions to those usually traded directly on exchange, which may result in investments being subject to greater or more frequent rises and falls in value and the investments may be harder to liquidate. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The relevant Funds may be adversely affected as a result of such changes.

x. *Recalling of Eligible Stocks* When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Investment Manager or Sub-Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

xi. *No Protection by Investor Compensation Fund* Investment in SSE securities and SZSE securities via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers in their obligations. Investments of the relevant Funds through Northbound trading under the Stock Connects are not covered by the Hong Kong Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licenced intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE securities and SZSE securities via the Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Company is exposed to the risks of default of the broker(s) it engages in its trading in SSE securities and SZSE securities through the Stock Connects.

xii. *Risks associated with the Small and Medium Enterprise board and/or ChiNext market*

The relevant Funds may invest in the Small and Medium Enterprise (SME) board and/or the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for a relevant Fund and its investors. The following additional risks apply:

a. *Higher fluctuation on stock prices*: Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

b. *Over-valuation risk*: Stocks listed on the SME board and/or ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. The stock price may be more susceptible to manipulation due to fewer circulating shares.

c. *Differences in regulations*: The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

d. *Delisting risk*: It may be more common and faster for companies listed on the SME board and/or ChiNext market to delist. This may have an adverse impact on a Fund if the companies that it invests in are delisted.

### 18.4.5 **F. Investment in the China Interbank Bond Market via Bond Connect**

The risks in this section apply in addition to the risk factors "18.3.1. B. Emerging Markets Risks" and "18.3.3. D. China Market Risk".

#### 18.4.5.1 **F1. Introduction**

The following Funds are able to gain exposure to debt securities traded in the China Interbank Bond Market ("CIBM") via Bond Connect (as described below) to the extent permissible under the COLL Sourcebook:the First State Diversified Growth Fund and the First State Emerging Markets Bond Fund.

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China ("Bond Connect") established by CFETS, CCDC, SHCH, HKEx and the Central Moneymarkets Unit (the "CMU").

Bond Connect is governed by rules and regulations as promulgated by the PRC authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 2017)") issued by the People's Bank of China on 21 June 2017;
- the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" issued by the Shanghai Head Office of the People's Bank of China on 22 June 2017; and
- any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for the Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People's Bank of China as registration agents to apply for registration with the People's Bank of China.

Pursuant to the prevailing regulations in China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the CMU) shall open omnibus nominee accounts with the onshore custody agent recognised by the People's Bank of China (currently, the CCDC and SHCH). All bonds traded by eligible foreign investors will be registered in the name of CMU, which will hold such bonds as a nominee owner.

18.4.5.2 **F2. General China Interbank Bond Market risk**

In addition to the usual investment risk, investing in the CIBM is subject to certain other inherent risks and uncertainties.

18.4.5.2.i. Risks of Investing in PRC Bond Markets

The financial market of the PRC is at a stage of development, and some PRC bonds invested in by the relevant Funds may be rated below investment grade or may not be rated by any rating agency of an international standard. Such investments are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these instruments may also be more difficult to ascertain and thus the Net Asset Value of the Fund may be more volatile. Investors should therefore be aware that an investment in the relevant Funds is subject to higher volatility, price fluctuations and risks than an investment in bond products in more developed markets.

18.4.5.2.ii. Volatility and Liquidity Risk

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities traded in the CIBM may result in significant price fluctuation of certain debt securities traded on such market. A relevant Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such debt securities may be large, and the Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. The debt securities traded on the CIBM may be difficult or impossible to sell, and this would affect the Fund's ability to acquire or dispose of such securities at their intrinsic value.

18.4.5.2.iii. Settlement Risk

Investing in the CIBM exposes the relevant Funds to risks associated with settlement procedures and default of counterparties. A counterparty which has entered into a transaction with such a Fund may default in its obligations to settle the transaction by delivery of the relevant security or by payment for value.

18.4.5.2.iv. Taxation Risks

There are risks and uncertainties associated with current tax laws, regulations and practice on an applicable Fund's investments in the PRC. The Fund could become subject to additional taxation that is not anticipated as at the date of this Prospectus or when the relevant investments are made, valued or disposed of. Any changes in tax law, future clarifications thereof and/or subsequent retroactive enforcement by the Chinese tax authorities may result in a material loss to the Fund.

18.4.5.2.v. Currency Risk

As noted in Section 18.4.4.2.ii., the Renminbi is not, as of the date of this Prospectus, a freely convertible security, and subject to the foreign exchange control policies of the Chinese government.

Investment by the Funds in debt securities traded on the CIBM will be made in Renminbi, and the Funds will therefore be exposed to any fluctuation in the exchange rate between the Base

Currency of the relevant Fund and the Renminbi in respect of such investment. The Funds may also be adversely affected by controls of currency conversions by the Chinese government.

Renminbi are exchangeable into other currencies at prevailing market rates.

The relevant Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in losses to the relevant Fund.

There can be no assurance that Renminbi will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop.

18.4.5.3 **F3. Risks specific to investment in the China Interbank Bond Market via Bond Connect**

18.4.5.3.i. <u>Risk of Default of Agents</u>

For investments via Bond Connect, the relevant filings, registration with the People's Bank of China and account opening have to be carried out via an onshore settlement agent, onshore and/or offshore custody agent, registration agent or other third parties (as the case may be). As such, a relevant Fund is subject to the risks of default or errors on the part of such agents or other third parties.

18.4.5.3.ii. <u>System Failure Risks for Bond Connect</u>

Trading through Bond Connect is effected through newly developed trading platforms and operational systems. There can be no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and hence pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

18.4.5.3.iii. Transfer Limits and Settlement Risks under Bond Connect

Under Bond Connect, a trading order can only be executed through a trading system recognised by the People's Bank of China with onshore market makers approved by the Chinese regulators as the counterparty. The debt securities purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose a Fund to settlement risks if its counterparty defaults and limit the Fund's ability to execute trades with different counterparties.

18.4.5.4.iv. Risk of Nominee Structure under Bond Connect

Debt securities purchased via Bond Connect will be held in the name of the CMU, an organisation established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services. A Fund's ownership in those debt securities may not be reflected directly in record entry with CCDC/SHCH and will instead be reflected on the record of the CMU. A Fund may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the Fund's ownership rights. If the Company (in respect of a Fund) wishes to enforce directly its ownership rights or creditor rights against the bond issuers, there is a lack of judicial precedent in China as to whether such an action will be recognised and enforced by the Chinese courts.

18.4.5.4.v. Safekeeping by the Depositary under UCITS requirements

The Depositary shall provide for the safekeeping of a Fund's assets in the PRC through its Global Custody Network. Such safekeeping requires the Depositary to retain control over the debt securities traded in the CIBM at all times.

18.4.6. **G. Industry or Sector Risk**

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

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

18.4.7. **H. Single Country / Specific Region Risk**

Where a Fund invests primarily in a single country or a small number of countries or a specific region, it may be subject to greater risk and above average market volatility than an investment in a broader range of securities covering multiple countries. The value of the Fund may be more susceptible to an adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant market.

18.4.8. **I. Single Sector Risk**

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

18.4.9. **J. Smaller Companies Risk**

Securities in small-capitalisation / mid-capitalisation companies may provide the potential for higher returns, but also involve additional risks. The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general. The stock of small-capitalisation / mid-capitalisation companies may also be more difficult or take longer to sell. In the event that requests to redeem Shares exceed the ability of the Manager to raise cash from the sale of investments, it may be necessary to suspend dealings in the Fund (with the Depositary's consent) in order to protect the interests of all Shareholders. If dealings are suspended, Shareholders will be unable to redeem their Shares unless and until the suspension is lifted, and the price of the Shares may decrease during the period of suspension. See also Section 18.3.11 headed “A11 Risk of Suspension”.

18.4.10. **K. Listed Infrastructure Risk**

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

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

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

18.4.11. **L. Property Securities Risk**

Certain Funds invest in property securities such as real estate investment trusts (“REITs”) and similar property investment vehicles. Property values rise and fall in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations. When economic growth is slow, demand for property decreases and prices may decline. Property values may also decrease because of overbuilding, increases in property taxes and operating expenses, changes in environmental regulations or hazards, uninsured casualty or condemnation losses, or a general decline in regional values. Property securities such as REITs may be affected by any changes in the value of the properties owned and other factors, and their prices tend to go up and down. A property security’s performance depends on the types and locations of the properties it owns and on how well it manages those properties. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants’ failure to pay rent or poor property management. A property security’s performance also depends on the issuer’s ability to finance property purchases and renovations and manage its cash flows.

18.4.12. **M. Charges against capital Risk**

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

18.4.13. **N. Reliability of Credit Ratings Risk**

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

18.4.14. **O. Interest Rate Risk**

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

18.4.15. **P. High Yield Risk**

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

18.4.16. **Q. Currency Hedged Share Class Risk**

There are two types of Currency Hedged Share Classes available:

a. NAV hedged share class – these share classes are applicable to the First State Diversified Growth Fund and the First State Emerging Markets Bond Fund.

   The intention is to hedge from the Base Currency of the relevant Fund into the currency of denomination of the Currency Hedged Share Class. This type of share class aims to reduce exposure to exchange rate fluctuations between the Base Currency of the Fund and the currency of denomination of the Currency Hedged Share Class.

   Please note for the First State Emerging Markets Bond Fund the majority of the Fund will be invested in assets denominated in US dollars and the Base Currency of the Fund is denominated in GBP. Accordingly the value of these assets denominated in US dollars may be affected favourably or unfavourably by fluctuations between the currency exchange rates of the assets denominated in US Dollars and the Base Currency of the Fund. The NAV Hedged Share Classes for this Fund aim to reduce exposure to currency exchange rate fluctuations between US Dollars (rather than the Fund's Base Currency) and the currency of denomination of the Currency Hedged Share Class.

b. Portfolio hedged share class – these share classes are applicable to the First State Global Listed Infrastructure Fund, the First State Global Property Securities Fund and the First State Japan Focus Fund.

   The intention is to hedge from the currency of denomination of certain (but not necessarily all) assets of the relevant Fund into the currency of the Currency Hedged Share Class concerned. This type of share class aims to minimise the effect of currency fluctuations between the currency of certain (but not necessary all) assets of the Fund and the currency of denomination of the Currency Hedged Share Class concerned.

Please note for the First State Japan Focus Fund the majority of the Fund will be invested in assets denominated in Japanese Yen. The intention is to hedge the Japanese Yen denominated assets of the Fund into the currency of the Currency Hedged Share Class.

In respect of both types of Currency Hedged Share Class, the Investment Manager will, in respect of the Net Asset Value of each Currency Hedged Share Class:

a. ensure that over-hedged positions do not exceed 105% of such Net Asset Value; and

b. ensure that under-hedged positions do not fall short of 95% of such Net Asset Value.

Additionally, the Investment Manager will:

c. keep share class hedged positions under review on an ongoing basis, with at least the same valuation frequency as that of the relevant Fund, to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels stated above;

d. incorporate a procedure in such review to rebalance the share class hedging arrangements on a regular basis to ensure that any position stays within the permitted position levels stated above and is not carried forward from month to month;

e. seek to ensure that the notional amount of any Derivative transaction entered into in respect of one Currency Hedged Share Class will not lead to a payment or delivery obligation with a value exceeding that of such Class, and prudently assess the maximum potential amount that may be paid to the counterparty of each such Derivative transaction, and collateral that could be required to be posted to such counterparty, to seek to ensure that such payment and posting obligations do not exceed the maximum pool of cash and eligible collateral corresponding with the Net Asset Value of the relevant Currency Hedged Share Class (any such excess an "**Excess Loss**");

f. implement stress tests to quantify the impact of any Excess Loss on all Classes of each Fund that contains any Currency Hedged Share Class; and

g. ensure operational and accounting segregation are in place to allow a clear identification of the values of assets and liabilities, and profit and loss (realised and unrealised) in respect of each Currency Hedged Share Class on an ongoing basis, with at least the same valuation frequency as that of the relevant Fund.

Investors should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the relevant Fund. The gains/losses on and the costs of such hedging transactions will accrue solely to the relevant Currency Hedged Share Class (subject, in the case of losses, to the risks described in Section 18.4.16.1. headed "Contagion Risk" below). Both types of currency hedging are intended to ensure that the performance of each Currency Hedge Share Class is aligned with the performance of the relevant Fund as a whole. However, Shareholders in Currency Hedge Share Classes are unlikely to benefit from any fall in the currency of denomination of their Currency Hedged Share Class:

a. against the Base Currency of the relevant Fund in the case of NAV hedged share classes; or

b. against the currency of denomination of the assets of the relevant Fund, in the case of portfolio hedged share classes,

and are likely to be subject to movements in the market value of the Derivatives entered into in respect of their Currency Hedged Share Class, which may result in losses or gains to such Shareholders.

Investors in Currency Hedged Share Classes should be aware that the currency hedging process for both types of Currency Hedged Share Classes may not give a precise hedge. Hedging transactions are designed to reduce, as much as possible, the currency risk for investors. However, there is no guarantee that the hedging will be totally successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of that Fund’s assets and income can remain vulnerable to fluctuations in currency exchange rate movements. Currency hedging transactions will be entered into if certain pre-set parameters are triggered, without regard to whether the currency in which a Currency Hedged Share Class is denominated is appreciating or depreciating against:

a. the relevant Fund’s Base Currency, in the case of a NAV hedged share class; or

b. the currency in which the assets held by the relevant Fund are denominated, in the case of a portfolio hedged share class.

Since share class hedging transactions are derivatives, they are subject to the risks set out in Section 18.3.12. A12 above (Derivatives Risk).

Where the difference in interest rates between (a) the Base Currency and/or the currency/ies of denomination of the assets of the relevant Fund; and (b) the currency of denomination of the relevant Currency Hedged Share Class is small, the impact of share class hedging will be less than where such difference is material.

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

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

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

18.4.16.1. Contagion Risk

The assets and liabilities of each Fund in respect of each Currency Hedged Share Class are not legally segregated as between Class, which gives rise to “contagion risk”. This means that if the

Currency Hedged Share Class or Classes denominated in the same currency does/do not have sufficient assets to meet its/their liabilities incurred from currency hedge transactions, such liabilities may fall on other Classes of the Fund, whether such Classes are Currency Hedged Share Classes or not. Contagion risk could therefore disadvantage Shareholders in all Share Classes of a Fund, not just those participating in the Currency Hedged Share Class. Share Classes which present such contagion risk are those identified by the suffix "(hedged)" appearing after the currency denomination of the Share Class concerned.

**18.4.17. R. Below Investment Grade Debt Securities Risk**

Certain Funds may invest in securities which are below investment grade (as described in more detail in the investment policies of the relevant Funds). Below investment grade debt securities are speculative and involve a greater risk of default and price changes than investment grade debt securities due to changes in the issuer's creditworthiness. Low rated debt securities generally offer a higher current yield than higher grade issues. However, the market prices of below investment grade debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty. The market for lower rated debt securities may not be liquid at all times. In a relatively illiquid market a Fund may not be able to acquire or dispose of such securities quickly and as such a Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties. In the event that requests to redeem Shares exceed the ability of the Manager to raise cash from the sale of investments, it may be necessary to suspend dealings in the Fund (with the Depositary's consent) in order to protect the interests of all Shareholders. If dealings are suspended, Shareholders will be unable to redeem their Shares unless and until the suspension is lifted, and the price of the Shares may decrease during the period of suspension. See also Section 18.3.11 headed "A11 Risk of Suspension".

**18.4.18. S. Concentration Risk**

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

**18.4.19. T. Investment in Russia Risk**

As a result of Russia's action in Crimea, as at the date of this Prospectus, the United States, European Union and other countries have imposed sanctions on Russia. The scope and level of the sanctions may increase and there is a risk that this may adversely affect the Russian economy and result in a decline in the value and liquidity of Russian securities, a devaluation of the Russian currency and/or a downgrade in Russia's credit rating. These sanctions could also lead to Russia taking counter measures more broadly against Western and other countries. Depending on the form of action which may be taken by Russia and other countries, it could become more difficult for the Fund(s) with exposure to Russia to continue investing in Russia and/or to liquidate Russian investments and expatriate funds out of Russia. Measures taken by the Russian government could include freezing or seizure of Russian assets of European residents which would reduce the value and liquidity of any Russian assets held by the Fund(s).

There is also risk of expropriation, nationalisation or confiscation of assets or property; higher inflation; social, economic and political instability and uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Fund to sub-custodial risk in circumstances where the Custodian will have no liability; the risk of expropriation of assets and the risk of war.

The laws relating to securities investments and regulations have been created on an ad-hoc basis and there is a risk they will not keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application.

There may be a risk that rules regulating corporate governance either do not exist or are underdeveloped and offer little protection to minority shareholders.

These factors may increase the volatility of a Fund (depending on its degree of investment in Russia) and hence the risk of loss to the value of your investment.

**18.4.20. U. Additional Derivatives Risk**

The Funds may use derivatives to both facilitate more complex efficient portfolio management techniques and for investment purposes. In particular this may include, but is not limited to, the following:

**18.4.20.1.** Currency Forwards and Currency Futures

In addition to the use of techniques and instruments to control currency risk (see 'Currency Risk'), the Funds may invest in currencies or utilise techniques and instruments in relation to currencies other than the Base Currency with the aim of generating positive returns. The Funds may use Currency forwards and Currency Futures that create long or short positions, and synthetic pair trades in currencies to implement tactical views. In view of the volatility of the currency markets, the value of any such transaction to the relevant fund may change rapidly, resulting in a sudden gain or loss.

**18.4.20.2.** Interest Rate Futures

Interest rate futures prices are highly volatile, with price movements being influenced by a multitude of factors such as changing supply and demand relationships, government fiscal, monetary and exchange control programs and policies and government intervention in currency and interest-rate markets. Unexpected fluctuations in underlying interest rate positions could cause corresponding prices of a futures position to move in a direction which were not initially anticipated.

The low margin deposits normally required in futures trading permit an extremely high degree of leverage; margin requirements for futures trading being in some cases as little as 2% of the face value of the contracts traded. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the investor.

There can be no assurance that a liquid market will exist at a time when a Fund seeks to close out an interest rate futures contract. Lack of a liquid market for any reason may prevent a Fund from liquidating an unfavourable position and the Fund would remain obligated to meet margin requirements until the position is closed.

**18.4.20.3.** Interest Rate and Currency Swaps

Interest rate swaps involve an exchange with another party of respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. The Funds may enter into swaps as either the payer or receiver of payments.

Where the Funds enter into interest rate swaps on a net basis, the two payment streams are netted out, with each party receiving or paying, as the case may be, only the net amount of the two payments. Interest rate or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that a Fund is contractually obliged to make. If the other party to an interest rate swap defaults, in normal circumstances each Fund's risk of loss consists of the net amount of future interest payments that each party is contractually entitled to receive.

Currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

**18.4.20.4.** Options

An option gives the purchaser the right (but not the obligation) to buy or sell a particular asset at a stated price at some date in the future within a particular period. The Funds may enter into option transactions as either the buyer or seller of this right. Options may be used for either hedging or cross hedging purposes, or for investment purposes to seek to increase total return or income. The writing and purchase of options is a specialised activity which involves specialist investment risks. If the Investment Manager is incorrect in its expectation of changes in the market prices or determination of the correlation between the instruments or indices on which the options are written or purchased in relation to the instruments in a Fund's investment portfolio, the Fund may incur losses that it would not otherwise incur.

The Funds may also buy or sell options on interest rate swap contracts (or "swaptions"). These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

**18.4.20.5.** Credit Default Swaps

The Funds may use credit default swaps ("CDS"), although it is not envisaged that it will make regular use of CDS. The use of CDS may carry a higher risk than investing in bonds directly. A CDS allows the transfer of default risk. This allows investors to effectively buy protection akin to insurance on a bond they hold (hedging the investment) or buy protection on a bond they do not physically own where the investment view is that the stream of fixed coupon payments required will be less than the payments received due to the decline in credit quality of the issuer of the bond. Conversely, where the investment view is that the payments due to decline in credit quality of the issuer of the bond will be less than the fixed coupon payments, protection will be sold by means of entering into a credit default swap. Accordingly, one party, the protection buyer, makes a stream of fixed payments to the seller of protection, and a payment is due to the buyer in the event that there is a "credit event" (a decline in credit quality of the issuer of the bond, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required fixed payments and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the fixed payments paid.

The market for credit default swaps may sometimes be more illiquid than bond markets, and it may therefore not prove possible to terminate a CDS, or to mitigate its risk by entering into an equal and offsetting CDS. A Fund entering into credit default swaps must at all times be able to meet the redemption requests. CDS are valued on a regular basis according to verifiable and transparent valuation methods reviewed by the Company's auditor.

**18.4.20.6.** Equity Derivatives

Equity derivatives involve an exchange with another party of respective commitments to (a) receive the equivalent of amounts (generally dividends and any increase in value) that would have been received had one party invested in an equity index or in the equities of a particular company or group of companies, in return for (b) payment of an agreed rate, which is generally a floating rate with a spread added. The market risk assumed by one party is therefore the same as if it had invested in the relevant equity index or equities. The market risk assumed by the other party is that the rate it receives is less than the return on the relevant equity index or equities. The payment streams of equity derivatives are netted in the same way as described for interest rate and currency swaps above.

**18.4.20.7.** Exchange Traded Derivatives – Futures

Exchange traded futures are subject to the same market and volatility risks as described in relation to other derivatives contracts, as described in "Derivatives Risk" above. Futures contracts are not usually terminated prior to their expiration; instead if required a party may enter into an equal and offsetting a futures contract. There can be no guarantee that market liquidity will allow a party to enter into such equal and offsetting transaction at the relevant time; therefore it may not be possible to mitigate the risk of a futures contract; equally the cost of such equal and offsetting transaction is likely to vary over time, and may therefore prove expensive if the market has moved against the holder of the original position.

Futures contracts are traded on standard economic terms set by the relevant exchange. The Investment Manager's ability to use futures to hedge specific risks will depend on the degree of correlation between those risks and the terms of the relevant futures contract. Where there is a lack of correlation, which can arise commonly, it is possible that a futures hedge will not protect significantly against losses.

The exchanges on which futures are traded are subject to rules set by these exchanges which allow for trading to be suspended or stopped altogether, intervention by regulatory authorities and prescribed procedures in the event of the insolvency of a clearing broker. These rules may have a material effect on the ability of the Investment Manager to trade futures, and on the enforcement of the terms of any futures contract at any time.

**18.4.21. V. Currency Risk**

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

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

## 19.0 APPENDIX VI - INVESTMENT MANAGEMENT AND BORROWING POWERS OF THE COMPANY

### 19.1 Investment Restrictions

The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in this Prospectus, in the relevant sections of the FCA Rules covering the investment and borrowing powers of UK open-ended investment companies, ISA regulations (where applicable) and the relevant Fund's investment policy. These limits apply to each Fund as summarised below:

19.1.1. Prudent spread of risk

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

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

19.1.2. Valuation

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

b. When valuing the Scheme Property of each Fund:

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

ii. initial outlay is regarded as remaining part of the Scheme Property of the Fund; and

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

19.1.3. Cover:

a. Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in the COLL Sourcebook, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.

b. Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

   i. it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and

   ii. no element of cover must be used more than once.

19.1.4. Transferable Securities

a. A transferable security is an investment which is any of the following:

   i. a share (article 76 of the Regulated Activities Order);

   ii. a instrument creating or acknowledging indebtedness (article 77 of the Regulated Activities Order);

   iii. an alternative debenture (article 77a of the Regulated Activities Order);

   iv. a government and public securities (article 78 of the Regulated Activities Order);

   v. an instrument giving entitlement to investments (article 79 of the Regulated Activities Order); or

   vi. a certificate representing certain securities (article 80 of the Regulated Activities Order)

An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

b. In applying paragraph 19.1.4.a. to an investment which is issued by a body corporate, and which is a share or an instrument creating or acknowledging indebtedness, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

c. An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

19.1.5 UCITS schemes - general

a. The Scheme Property of each Fund must, except where otherwise provided in the FCA Rules (see below regarding investment in Second Schemes and the use of derivatives for efficient portfolio management), consist solely of any or all of:

   i. transferable securities;

   ii. approved money market instruments;

iii. units in Second Schemes;

iv. derivatives and forward transactions;

v. deposits; and

vi. movable and immovable property that is necessary for the direct pursuit of the business of the UCITS;

b. Each Fund is restricted to mainly holding transferable securities. Transferable securities held within each Fund must (subject to paragraph 19.1.5.c. be:

i. admitted to or dealt in on an eligible market as described below in paragraph 19.1.7.c.i. or 19.1.7.d.; or

ii. dealt in on an eligible market as described below in paragraph 19.1.7.c.ii.; or

iii. recently issued transferable securities, provided that:

A. the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and

B. such admission is secured within a year of issue.

c. However, the Fund may invest no more than 10% in value of Scheme Property in transferable securities other than those referred to in paragraph 19.1.5.b. above.

d. Each Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

i. the potential loss which each Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

ii. its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder under the “Dealing” section in the COLL Sourcebook;

iii. reliable valuation is available for it as follows:

A. in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

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

iv. appropriate information is available for it as follows:

A. in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

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

v. it is negotiable; and

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

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

i. not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder; and

ii. to be negotiable.

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

19.1.6. Closed end funds constituting transferable securities

a. A unit in a closed end fund shall be taken to be transferable security for the purposes of investment by a UCITS scheme such as the Company, provided it fulfils the criteria for transferable securities set out in paragraph 19.1.5.d., and either:

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

A. it is subject to corporate governance mechanism applied to companies; and

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

ii. where the closed end fund is constituted under the law of contract:

A. it is subject to corporate governance mechanisms equivalent to those applied to companies and

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

19.1.7. Eligible markets regime

a. To protect investors, the markets on which investments of the Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. The eligible markets for the Funds are set out in Section 17.0 Appendix IV.

b. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

c. A market is eligible for the purposes of the rules if it is:

i. a regulated market; or

ii. a market in an EEA State which is regulated, operates regularly and is open to the public.

iii. any market within 19.1.7.d.

d. A market not falling within paragraph 19.1.7.c.i. and 19.1.7.c.ii. is eligible for the purposes of the FCA Regulations if:

i. the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

ii. the market is included in a list in the Prospectus; and

iii. the Depositary has taken reasonable care to determine that:

A. adequate custody arrangements can be provided for the investment dealt in on that market; and

B. all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

e. In paragraph 19.1.7.d. a market must not be considered appropriate unless it:

i. is regulated;

ii. operates regularly;

iii. is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;

iv. is open to the public

v. is adequately liquid; and

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

19.1.8. Transferable securities linked to other assets

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

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

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

b. Where an investment in 19.1.8.a. contains an embedded derivative component (see COLL Sourcebook 5.2.19R (3A)), the requirements of this section with respect to derivatives and forwards will apply to that component.

19.1.9. Spread: general

a. This rule on spread does not apply in respect of transferable securities or approved money market instruments to which paragraph 19.1.10. below (Spread: Government and public securities) applies.

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

c. Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

d. Not more than 5% in value of the Scheme Property of a Fund is to consist of transferable securities or approved money market instruments issued by any single body.

e. The limit of 5% in paragraph 19.1.9.d. is raised to 10% in respect of up to 40% in value of the Scheme Property of a Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

f. The limit of 5% in 19.1.9.d. is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Fund's Scheme Property.

g. In applying paragraph 19.1.9.d. and 19.1.9.e. certificates representing certain securities are to be treated as equivalent to the underlying security.

h. The exposure to any one counterparty arising from an OTC derivative transaction must not exceed 5% in value of the Scheme Property of each Fund. This limit is raised to 10% where the counterparty is an Approved Bank.

i. Not more than 20% in value of the Scheme Property of a Fund is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 19.1.9.b.

j. In applying the limits in paragraphs 19.1.9.c., 19.1.9.d., 19.1.9.e., 19.1.9.g. and 19.1.9.h. in relation to a single body, and subject to paragraph 19.1.9.f., not more than 20% in value of the Scheme Property of each Fund is to consist of any combination of two or more of the following:

   i. transferable securities (including covered bonds) or approved money market instruments issued by that body; or

   ii. deposits made with that body; or

   iii. exposures from OTC derivatives transactions made with that body.

k. Not more than 20% in value of the Scheme Property of a Fund is to consist of units of any one Second Scheme, without prejudice to the limits on investment in other Second Schemes set out at paragraph 19.1.11. and in Section 16.0. Appendix III. Where the Second Scheme is an umbrella the provisions in this paragraph 19.1.9.k. apply to each sub-fund as if it were a separate Second Scheme.

19.1.9.1Counterparty risk and issuer concentration

a. The ACD must ensure that counterparty risk arising from OTC derivative transactions or Efficient Portfolio Management techniques is subject to the limits set out in paragraphs 19.1.9.h. and 19.1.9.j. above.

b. When calculating the exposure of a Fund to a counterparty to an OTC derivative in accordance with the limits in paragraph 19.1.9.h. the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

c. The ACD may net the OTC derivative positions of a Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Fund.

d. The netting agreements in paragraph 19.1.9.1.c. above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Fund may have with that same counterparty.

e. The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

f. The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 19.1.9.1.i. below when it passes collateral to an OTC counterparty on behalf of a Fund.

g. Collateral passed in accordance with paragraph 19.1.9.1.f. may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.

h. In relation to the exposure arising from OTC derivatives as referred to in paragraph 19.1.9.j. the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

i. The ACD must calculate the issuer concentration limits referred to in paragraph 19.1.9. on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

19.1.10 Spread: Government and public securities

a. The following paragraph applies in respect of transferable securities or approved money market instruments issued by:

i. an EEA State;

ii. a local authority of an EEA State;

iii. a non-EEA State; or

iv. a public international body to which one or more EEA States belong,

hereinafter referred to as "such securities".

b. Where no more than 35% in value of the Scheme Property of a Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

c. Notwithstanding the restriction in (b) above, a Fund may invest more than 35% in value of its Scheme Property in such securities issued by any one body provided that:

i. the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the Fund;

ii. no more than 30% in value of the Scheme Property consists of such securities of any one issue;

iii. the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.

d. In paragraph 19.1.10. in relation to such securities:

i. issue, issued and issuer include guarantee, guaranteed and guarantor; and

ii. an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

e. Notwithstanding paragraph 19.1.9.a. and subject to paragraphs 19.1.10.b. and 19.1.10.c., in applying the 20% limit in paragraph 19.1.9.j. with respect to a single body, such securities issued by that body shall be taken into account.

f. As at the date of this Prospectus, none of the Funds has the ability to invest or currently invests more than 35% in such securities issued or guaranteed by a single body. Should this change in the future, this Prospectus will be updated to reflect the names of the individual states, local authorities or public international bodies issuing or guaranteeing such securities in which more than 35% of a Fund's Scheme Property may be invested, in accordance with the FCA Rules.

19.1.11. Investment in Second Schemes

A Fund may invest in units in a Second Scheme provided that no more than 10% of the value of the Scheme Property of the Fund is invested in Second Schemes (unless the limit for the Fund is stated otherwise in the relevant section of Section 16.0. Appendix III) and provided the Second Scheme satisfies all of the following conditions:

a. The Second Scheme must be one that:

i. complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

ii. is a recognised scheme under the provisions of section 272 of the Act (Individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or

iii. is authorised as a non-UCITS retail scheme (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or

iv. is authorised in another EEA State (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or

v. is authorised by the competent authority of an OECD member country (other than another EEA State) which has:

A. signed the IOSCO Multilateral Memorandum of Understanding; and

B. approved the Second Scheme's management company, rules and depositary/custody arrangements.

(provided the requirements of article 50(1)(e) of the UCITS Directive are met);

and in cases where the relevant section of Section 16.0. Appendix III sets the limit for a Fund's investment in Second Schemes at more than 10% of the value of the Scheme Property of the Fund, provided that no more than 30% of the value of the Fund is invested in Second Schemes falling within paragraphs 19.1.11.a.ii. to 19.1.11.a.v.:

b. The Second Scheme complies where relevant with paragraph 19.1.11.d., 19.1.11.e. and 19.1.11.f. below (where the Second Scheme is an umbrella the provisions in this paragraph 19.1.11.b. apply to each sub-fund as if it were a separate Second Scheme);

c. The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes (where the Second Scheme is an umbrella the provisions in this paragraph 19.1.11.c. apply to each sub-fund as if it were a separate Second Scheme); and

d. A Fund must not invest in or dispose of units in: (1) a Second Scheme if the Second Scheme is managed or operated by (or, in the case of an ICVC, whose authorised corporate director is) the ACD, or an associate of the ACD (referred to as “Associated Schemes” in paragraphs 19.1.11.d., 19.1.11.e. and 19.1.11.f. where necessary to distinguish between different types of Second Schemes); or (2) a Second Scheme which is another Fund in the Company (referred to as “Second Funds” in paragraphs 19.1.11.d., 19.1.11.e. and 19.1.11.f. where necessary to distinguish between types of Second Schemes), unless:

   i. for investments in Associated Schemes, the Prospectus clearly states in respect of the investing Fund that the property of that investing Fund may include such units; and

   ii. for investments in Second Funds, the Prospectus clearly states that the Scheme Property attributable to the investing or disposing Fund may include units in a Second Fund; and

   iii. where:

      A. an investment or disposal is made under paragraph 19.1.11.d.; and

      B. there is a charge in respect of such investment or disposal;

   the ACD is under a duty to pay to the investing or disposing Fund the amounts referred to in paragraph 19.1.11.e. by the close of business on the fourth business day following that agreement to invest or dispose;

e. On investment, the amount referred to in paragraph 19.1.11.d.iii. is either:

   i. any amount by which the consideration paid by the investing or disposing Fund for the units in the Associated Scheme or the Second Fund exceeds the price that would have been paid for the benefit of the Associated Scheme or the Second Fund had the units been newly issued or sold by it; or

   ii. if such price cannot be ascertained by the ACD , the maximum amount of any charge permitted to be made by the seller of units in the Associated Scheme or the Second Fund;

   iii. on disposal, the amount referred to in paragraph 19.1.11.d.iii. is the amount of any charge made for the account of the ACD or operator of the Associated Scheme or the Second Fund or an associate of any of them in respect of the disposal; and

f. In this clause:

i. any addition to or deduction from the consideration paid on the acquisition or disposal of units in the Associated Scheme or the Second Fund which is applied for the benefit of the Associated Scheme or the Second Fund and is, or is like, a dilution levy made in accordance with COLL is to be treated as part of the price of the units and not as part of any charge; and

ii. any switching charge made in respect of an exchange of units in one fund or separate part of the Associated Scheme or the Second Fund for units in another fund or separate part of that Associated Scheme or Second Fund is to be included as part of the consideration paid for the units.

19.1.12. Investment in warrants and nil and partly paid securities

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

19.1.13. Derivatives

a. A Fund may use derivatives in pursuit of its investment objectives and policies and/or to hedge market and currency risk for the purposes of efficient portfolio management, (as described below "Efficient Portfolio Management").

b. The use of derivatives for efficient portfolio management will generally not increase the risk profile of a Fund, although such use may include transactions that reduce cost or generate additional capital or income, subject to certain constraints as described in "Efficient Portfolio Management" below. In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. A Fund's abilities to use derivatives for EPM may be limited by market conditions, regulatory limits and tax considerations. The use of derivatives for investment purposes may increase the risk profile of a Fund. Accordingly, where derivative instruments are used, the ACD will employ a risk-management process which enables the ACD to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the relevant Fund.

c. A transaction in a derivative must be in an approved derivative (defined by the FCA as a derivative transaction traded or dealt on an eligible derivatives market); or be one which complies with the requirements for entering into OTC transactions in derivatives. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

d. A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

e. A transaction in a derivative must have the underlying consisting of any or all of the following to which the Fund is dedicated, i.e. permitted transferable securities, approved money market instruments, permitted deposits, permitted derivatives, permitted CIS units, permitted financial indices, interest rates, foreign exchange rates, and currencies, and may not result in the delivery or transfer of assets other than those types of property the relevant Fund is permitted to hold, as described above in relation to UCITS funds.

f. A Fund may not undertake transactions in derivatives on commodities.

g. Any forward transaction must be with an approved counterparty.

h. All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

i. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money market instruments, units in CIS, or derivatives;

j. OTC derivatives are approved only if the Investment Manager:

A. carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (in accordance with procedures described in the FCA Handbook) and which does not rely only on market quotations by the counterparty; and

B. can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value.

19.1.14. Financial indices underlying derivatives

a. Where a Fund holds an index-based derivative, the financial index must satisfy the following criteria:

i. the index is sufficiently diversified

ii. the index represents an adequate benchmark for the market to which it refers; and

iii. the index is published in an appropriate manner.

b. A financial index is sufficiently diversified if:

i. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

ii. where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and

iii. where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

c. A financial index represents an adequate benchmark for the market to which it refers if:

i. it measures the performance of a representative group of underlyings in a relevant and appropriate way;

ii. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

iii. the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

d. A financial index is published in an appropriate manner if:

i. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

ii. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

19.1.15. Global Risk Exposure

a. The ACD must calculate the global exposure of a Fund by using the commitment approach or the value at risk (“VaR”) approach. Currently, all Funds use the commitment approach save for the First State Diversified Growth Fund (which uses Absolute VaR).

b. The ACD must ensure that the method selected above is appropriate, taking into account:

i. the investment strategy pursued by the Fund;

ii. the types and complexities of the derivatives and forward transactions used; and

iii. the proportion of the Scheme Property comprising derivatives and forward transactions.

c. Where a Fund holds an index-based derivative, provided the index falls within the rules of eligibility, the underlying constituents do not have to be taken into account when calculating the spread requirements below.

d. The ACD currently applies both the VaR approach and the commitment approach to calculate global exposure.

e. Commitment approach - Where the commitment approach is used for the calculation of global exposure, the ACD must:

   i. ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of Efficient Portfolio Management; and

   ii. convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

f. VaR Approach - Value at risk (VaR) is a statistical methodology that predicts, using historical data, the likely maximum loss that a Fund could suffer, calculated to a specific (e.g. 99%) confidence level, over a specific time period under normal market conditions. Using a 99% confidence level, there is, therefore, a 1% statistical chance that the VaR limit may be exceeded. VaR is calculated using the "absolute VaR" approach or the "relative VaR" approach.

   i. Relative VaR

   "Relative VaR" refers to the VaR of a Fund compared to the VaR of a reference portfolio. Where a relative VaR model is used, the VaR may not exceed twice the VaR of the derivatives free benchmark or equivalent portfolio. In case the Relative VaR of a Fund would exceed twice the VaR on the reference portfolio, the ACD would need to take steps to change the portfolio so that the VaR came back to a maximum of twice the VaR on the reference portfolio.

   ii. Absolute VaR

   "Absolute VaR" is the VaR of a Fund expressed as a percentage of the Net Asset Value of the Fund. Where an absolute VaR model is used, the VaR of the Fund may not exceed 20% of the Net Asset Value of the Fund, based on a 20 day holding period and a 99% confidence level. In case the absolute VaR of a Fund would exceed 20% of its Net Asset Value, the ACD would need to take steps to change the portfolio so that the VaR came back to a maximum of 20%.

g. The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

h. For the commitment approach, the ACD may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

i. Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.

j. Where the "commitment approach" to risk management is being used the ACD of the Fund must ensure that its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the Scheme Property.

k. The ACD of the Fund must calculate its global exposure on at least a daily basis.

l. For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions

19.1.16. Efficient Portfolio Management

a. The ACD may use the Scheme Property of a Fund for the purposes of EPM as follows:

   i. The ACD may use derivative transactions or forward currency transactions as appropriate. However, such transactions must be:

      A. economically appropriate;

      B. fully covered by assets within the Fund; and

      C. used to achieve one or more of the following:-

         1. a reduction in risk,

         2. a reduction in cost,

         3. the generation of additional capital or income with a level of risk which is consistent with the risk profile of the Fund and prevailing risk diversification requirements of the UCITS Directive.

   ii. Therefore, no transaction may be undertaken under these provisions if it could reasonably be regarded as speculative.

b. Permitted EPM transactions must also fulfil the following criteria:

   i. Their risks are adequately captured in risk management procedures implemented in relation to the Company; and

   ii. They cannot result in a change to a Fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in this Prospectus.

c. While the use of EPM transactions will be in line with the best interests of the Fund, individual techniques may result in increased risk. Details of the relevant risks are set out in "Section 18.0 Appendix V Risk Factors".

d. All of the revenues arising from EPM transactions, net of direct and indirect operational costs, will be returned to the Company.

e. The Company will ensure, at all times, that the terms of EPM transactions, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.

f. Transactions deemed to offer an acceptable low level of risk under paragraph 19.1.16.a.i.C.3. above are those where the:

  i. transactions take advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property which the Fund holds or may properly hold; or

  ii. transactions where the Fund receives a premium for the writing of a covered call or put option, even if the benefit arising is obtained at the expense of the chance of greater possible future benefit.

19.1.17 Risk Management Process

a. General

  i. The risk management process should take account of the investment objectives and policy of the Fund as stated in this Prospectus.

  ii. The Depositary should take reasonable care to review the appropriateness of the risk management process in line with its duties under COLL 6.6.14 (Duties of the depositary and authorised fund manager: investment and borrowing powers), as appropriate.

  iii. The ACD is expected to demonstrate more sophistication in its risk management process for a Fund with a complex risk profile than for one with a simple risk profile. In particular, the risk management process should take account of any characteristic of non-linear dependence in the value of a position to its underlying.

  iv. The ACD should take reasonable care to establish and maintain such systems and controls as are appropriate to its business as required by SYSC 3.1 (Systems and controls).

  v. The risk management process should enable the analysis required by paragraph 19.1.17.b. below to be undertaken at least daily or at each valuation point whichever is the more frequent.

b. Derivatives

i. The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of that Fund. The details of the risk management process include the following information:

1. the types of derivatives and forwards to be used within the Funds together with their underlying risks and any relevant quantitative limits; and

2. the methods for estimating risks in derivative and forward transactions.

ii. The ACD shall notify the FCA in advance of any material alteration to the details above. A statement of the methods used for risk management in connection with the Funds and the quantitative limits used together with the current risk yields of the main categories of investment is available from the ACD on request.

19.1.18. Valuation of OTC derivatives

a. For the purposes of paragraph 19.1.17.b.i.1. the ACD must:

i. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and

ii. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

b. Where the arrangements and procedures referred to in paragraph 19.1.18.a above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC (Additional requirements for a management company) and COLL (Due diligence requirements of AFMs of UCITS schemes).

c. The arrangements and procedures referred to in 19.1.18.a. must be:

i. adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

ii. adequately documented.

19.1.19. Significant influence

a. The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

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

ii. The acquisition gives the Company that power.

b. For the purpose of paragraph 19.1.19.a.ii. the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

19.1.20. Concentration

The Company:

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

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

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

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

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

d. need not comply with the limits in paragraphs 19.1.20.b. to 19.1.20.c. if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

19.1.21. Cash and near cash

a. Cash and near cash must not be retained in the Scheme Property of a Fund except to the extent that this may reasonably be regarded as necessary in order to enable:

i. the pursuit of the Fund’s investment objectives; or

ii. redemption of units; or

iii. efficient management of the Fund in accordance with its investment objectives; or

iv. other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

b. During the period of any initial offer, the Scheme Property of a Fund may however consist of cash and near cash without limitation.

19.1.22. General power to borrow

a. The Company may in accordance with this paragraph and paragraph 19.1.23. borrow money for the use of a Fund on terms that the borrowing is to be repayable out of the Scheme Property of that Fund. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the Instrument.

b. The Company may borrow under paragraph 19.1.22.a. only from an Eligible Institution or an Approved Bank.

c. The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:

   i. the duration of any period of borrowing; and

   ii. the number of occasions on which resort is had to borrowing in any period.

d. The ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary. The Depositary may only give its consent as required under this paragraph on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

e. These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.

f. A Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with this paragraph 19.1.22.

19.1.23. Borrowing limits

a. The ACD must ensure that a Fund's borrowing does not, on any business day, exceed 10% of the value of the Scheme Property of that Fund.

b. This paragraph does not apply to "back to back" borrowing for currency hedging purposes.

c. In this paragraph 19.1.23., "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

19.1.24. Restrictions on lending of money

a. None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

b. Acquiring a debenture is not lending for the purposes of paragraph 19.1.24.a. nor is the placing of money on deposit or in a current account.

c. Paragraph 19.1.24.a. does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

19.1.25. Restrictions on lending of property other than money

a. The Scheme Property of a Fund other than money must not be lent by way of deposit or otherwise.

b. Transactions permitted by paragraph 19.1.29. are not lending for the purposes of paragraph 19.1.25.a.

c. The Scheme Property of a Fund must not be mortgaged.

d. Where transactions in derivatives or forward transactions are used for the account of a Fund, nothing in paragraph 19.1.25. prevents the Fund or the depositary at the request of the Company, from:

i. lending, depositing, pledging or charging Scheme Property for margin requirements; or

ii. transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.

19.1.26. Underwriting

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

19.1.27. Guarantees and indemnities

a. The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.

b. None of the Scheme Property of a Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

19.1.28. General

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

19.1.29 Stock Lending

a. A Fund may enter into stock lending arrangements and/or repurchase/reverse repurchase contracts.

b. The entry into stock lending arrangements or repurchase/reverse repurchase contracts for the account of a Fund is permitted for the generation of additional income for the benefit of a Fund, and hence for its investors.

c. The stock lending arrangement and repurchase/reverse repurchase contracts permitted by this section may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for a Fund with an acceptable degree of risk.

d. The Company or the Depositary at the request of Company may enter into a repurchase contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

i. all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;

ii. the counterparty is:

19.1.29.d.ii.1. an authorised person; or

19.1.29.d.ii.2. a person authorised by a Home State regulator; or

19.1.29.d.ii.3. a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or

19.1.29.d.ii.4. a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; and the Board of Governors of the Federal Reserve System; and

iii. collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 29(c)(i) and the collateral is:

19.1.29.d.iii.1. acceptable to the Depositary;

19.1.29.d.iii.2. adequate; and

19.1.29.d.iii.3. sufficiently immediate.

e. The counterparty for the purpose of paragraph 19.1.29.d.ii. is the person who is obliged under the agreement referred to in paragraph 19.1.29.d.i. to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

f. Paragraph 19.1.29.d.iii. does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

g. There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions.

h. Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the relevant Fund.

i. The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned.

j. In the case that the Company enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to market basis at any time. Where the cash is recallable at any time on a mark-to market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the net asset value of the Fund.

k. In the case that the Company enters into a repurchase agreement, the Company will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

l. Fixed term repurchase and reverse repurchase contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the Company.

m. All the revenues arising from EPM techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the relevant Fund in respect of which the relevant party has been engaged.

19.1.30. Collateral policy for OTC derivatives and for Efficient Portfolio Management techniques and compliance with EMIR

Risk exposure to a counterparty to OTC derivatives and/or Efficient Portfolio Management techniques will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations, as summarized in this section. All assets received by the Company on behalf of a Fund in the context of OTC derivatives and/or Efficient Portfolio Management techniques are considered as collateral for the purpose of this section.

a. Where the Company on behalf of a Fund enters into OTC financial derivative transactions and/or Efficient Portfolio Management techniques, all collateral received by the Fund must comply with the criteria listed in ESMA Guidelines 2012/832 in terms of liquidity, valuation, issuer credit quality, correlation, diversification, risks linked to the management of collateral and enforceability.

b. The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund. Reinvested cash collateral will be diversified in accordance with this requirement.

c. In relation to stock lending transactions, collateral is adequate for the purposes of paragraph 19.1.29. above only if it is:

   i. at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary; and;

   ii. in the form of one or more of;

      - cash; or
      - a certificate of deposit; or
      - a letter of credit; or
      - a readily realisable security; or
      - commercial paper with no embedded derivative content; or
      - a qualifying money market fund.

   iii. Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an investment company with variable capital, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 19.1.11. (Investment in collective investment schemes) must be complied with.

   iv. Collateral is sufficiently immediate for the purposes of paragraph 19.1.29. above if:

      - it is transferred before or at the time of the transfer of the securities by the Depositary; or
      - the Depositary takes reasonable care to determine at the time referred to in the above paragraph that it will be transferred at the latest by the close of business on the day of the transfer.

d. The minimum level of collateral required for OTC derivatives and/or Efficient Portfolio Management techniques will be defined by reference to the counterparty risks limits set out above, and applicable laws and regulations. To limit the risk of loss to a Fund, the Company may require the counterparty to an OTC derivative to post collateral in favour of the Fund representing either some or all of the Fund's exposure under the transaction. In any event, the Company is obliged to require the counterparty to exchange variation margin in accordance with the requirements of EMIR, to cover any change in the mark-to-market exposure of derivative transactions, other than physically settled FX forwards. Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy (as set out in paragraph 19.1.30.e. below). Currently each Fund only exchanges collateral in the form of cash, which each Fund holds through the Depositary, and does not reinvest. No Fund currently expects to exchange initial margin under EMIR, since no Fund currently trades nor anticipates trading derivatives in an average aggregate notional amount of EUR 8 billion or greater.

e. Collateral received from a counterparty may be offset against gross counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral, its value may be reduced by a percentage (a "haircut") which provides, amongst other things, for short term fluctuations in the value of the exposure and of the collateral. The Company has established a haircut policy in respect of each class of assets received as collateral in respect of the Funds, which encompasses haircuts mandated by EMIR. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. Collateral levels are maintained to ensure that net counterparty exposure does not exceed the limits per counterparty as set out.

f. Where there is a title transfer, collateral received will be held by the Custodian (or a sub-delegate thereof) on behalf of the relevant Company. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

g. Non-cash collateral received cannot be sold, reinvested or pledged. Cash received as collateral for OTC derivatives and/or Efficient Portfolio Management techniques may not be invested or used other than as set out below:

h. placed on deposit with eligible credit institutions;

   i. invested in high-quality government bonds;

   ii. used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; or

   iii. invested in eligible "short-term money market funds" as defined by the European Securities and Markets Authority's guidelines on a Common Definition of European Money Market Funds.

i. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

j. A Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to the reinvestment of cash collateral leads to certain risks such as counterparty risk (e.g. borrower default) and market risk (e.g. decline in the value of the investment made with collateral received or of the reinvested cash collateral received) and these risks need to be monitored. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty at the conclusion of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund. The risk related to the reinvestment of cash collateral, which is not indemnified by the lending agent, is mitigated by investing cash collateral in highly liquid and diversified money market funds or in reverse repurchase agreements.

k. For Funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed. In the event that the Company receives collateral for at least 30% of the Net Asset Value of a Fund, it will implement regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

l. The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2012/832 and/or any additional guidance issued from time to time by the FCA in relation to the above.

m. In addition to the above, the Company complies with the requirements of EMIR in relation to collateralisation by:

    i. entering into ISDA Variation Margin Credit Support Annexes or equivalent market standard documents ("VM CSAs") with each of its derivative counterparties. These VM CSAs allow for the exchange of variation margin between the parties, which is intended to cover mark-to-market exposure; and

    ii. adhering to EMIR Risk Management Policies and Procedures.

## 20.0 APPENDIX VII – LIST OF DELEGATES AND SUB-DELEGATES

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to The Bank of New York Mellon SA/NV and The Bank of New York Mellon with registered offices at One Canada Square, London, E14 5AL, UK, whom it has appointed as its global sub-custodians.

At the date of this Prospectus, The Bank of New York Mellon SA/NV and The Bank of New York Mellon as Global Sub-Custodians have appointed local sub-delegates within the Bank of New York Global Custody Network as listed below.

| **Country/Market** | **Sub-Delegates** | **Location** |
|---|---|---|
| **Argentina** | Citibank N.A., Argentina | Buenos Aires |
| **Australia** | The HongKong and Shanghai Banking Corporation Limited | Parramatta, NSW |
| **Austria** | UniCredit Bank Austria AG | Vienna |
| **Bahrain** | HSBC Bank Middle East Limited | Bahrain |
| **Bangladesh** | The HongKong and Shanghai Banking Corporation Limited | Dhaka |
| **Belgium** | Citibank Europe Plc, UK Branch | London |
| **Belgium** | The Bank of New York SA/NV | Brussels |
| **Bermuda** | HSBC Bank Bermuda Limited | Hamilton |
| **Botswana** | Stanbic Bank Botswana Limited | Gaborone |
| **Brazil** | Citibank N.A., Brazil | Sao Paulo |
| **Brazil** | Itau Unibanco S.A. | Sao Paulo |
| **Bulgaria** | Citibank Europe plc, Bulgaria Branch | Sofia |
| **Canada** | CIBC Mellon Trust Company (CIBC Mellon) | Toronto |
| **Cayman Islands** | The Bank of New York Mellon | New York |
| **Channel Islands** | The Bank of New York Mellon | New York |
| **Chile** | Banco de Chile | Santiago |
| **Chile** | Itau Corpbanca S.A. | Santiago |
| **China** | HSBC Bank (China) Company Limited | Shanghai |
| **China A** | Citibank (China) Co Limited | Shanghai |
| **China B** | HSBC Bank (China) Company Limited | Shanghai |
| **Colombia** | Cititrust Colombia S.A. Sociedad Fiduciaria | Bogota |
| **Costa Rica** | Banco Nacional de Costa Rica | San José |
| **Croatia** | Privredna banka Zagreb d.d. | Zagreb |

| | | |
|---|---|---|
| **Cyprus** | BNP Paribas Securities Services | Athens |
| **Czech Republic** | Citibank Europe plc, organizacni slozka | Prague |
| **Denmark** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **Egypt** | HSBC Bank Egypt S.A.E. | Cairo |
| **Estonia** | SEB Pank AS | Tallinn |
| **Euromarket** | Clearstream Banking S.A. | Luxembourg |
| **Euromarket** | Euroclear Bank SA/NV | Brussels |
| **Finland** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **France** | BNP Paribas Securities Services S.C.A. | Paris |
| **Germany** | The Bank of New York Mellon SA/NV | Frankfurt am Main |
| **Ghana** | Stanbic Bank Ghana Limited | Accra |
| **Greece** | BNP Paribas Securities Services | Athens |
| **Hong Kong** | The HongKong and Shanghai Banking Corporation Limited | Hong Kong |
| **Hungary** | Citibank Europe plc. Hungarian Branch Office | Budapest |
| **Iceland** | Landsbankinn hf. | Reykjavik |
| **India** | Deutsche Bank AG | Mumbai |
| **India** | The Hongkong and Shanghai Banking Corporation Limited | Mumbai |
| **Indonesia** | Deutsche Bank AG | Jakarta |
| **Ireland** | The Bank of New York Mellon | New York |
| **Israel** | Bank Hapoalim B.M. | Tel Aviv |
| **Italy** | Citibank N.A. Milan | Milan |
| **Italy** | The Bank of New York Mellon SA/NV | Brussels |
| **Japan** | Mizuho Bank, Ltd. | Tokyo |
| **Japan** | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | Tokyo |
| **Jordan** | Standard Chartered Bank | London |
| **Kazakhstan** | Citibank Kazakhstan Joint-Stock Company | Almaty |
| **Kenya** | Stanbic Bank Kenya Limited | Nairobi |
| **Kuwait** | HSBC Bank Middle East Limited, Kuwait | Safat |
| **Latvia** | AS SEB banka | Kekavas novads |
| **Lithuania** | AB SEB bankas | Vilnius |
| **Luxembourg** | Euroclear Bank | Brussels |
| **Malawi** | Standard Bank Limited | Lilongwe |

| | | |
|---|---|---|
| **Malaysia** | Deutsche Bank (Malaysia) Berhad | Kuala Lumpur |
| **Malta** | The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main | Frankfurt am Main, Germany |
| **Mauritius** | The Hongkong and Shanghai Banking Corporation Limited | Ebene |
| **Mexico** | Banco Nacional (México), S.A. | Ciudad de México |
| **Mexico** | Citibanamex | Colonia Santa Fe |
| **Morocco** | Citibank Maghreb S.A. | Casablanca |
| **Namibia** | Standard Bank Namibia Limited | Windhoek |
| **Netherlands** | The Bank of New York Mellon SA/NV | Brussels, Belgium |
| **New Zealand** | The Hong Kong and Shanghai Banking Corporation Limited | Auckland |
| **Nigeria** | Stanic IBTC Bank Plc. | Lagos |
| **Norway** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm, Sweden |
| **Oman** | HSBC Bank Oman S.A.O.G. | Sultanate of Oman |
| **Pakistan** | Deutsche Bank AG | Karachi |
| **Peru** | Citibank del Peru S.A. | Lima |
| **Philippines** | Deutsche Bank AG | Makati City |
| **Poland** | Bank Polska Kasa Opieki S.A. | Warszawa |
| **Portugal** | Citibank Europe Plc, Sucursal em Portugal | Lisbon |
| **Qatar** | HSBC Bank Middle East Limited, Doha | Doha |
| **Romania** | Citibank Europe plc, Romania Branch | Bucharest |
| **Russia** | PJSC ROSBANK | Moscow |
| **Saudi Arabia** | HSBC Saudi Arabia | Riyadh |
| **Serbia** | UniCredit Bank Serbia JSC | Belgrade |
| **Singapore** | DBS Bank Ltd | Singapore |
| **Singapore** | United Overseas Bank Limited | Singapore |
| **Slovak Republic** | Citibank Europe plc, pobocka zahranicnej banky | Bratislava |
| **Slovenia** | UniCredit Banka Slovenia d.d. | Ljubljana |
| **South Africa** | Standard Chartered Bank | Johannesburg |
| **South Africa** | The Standard Bank of South Africa Limited | Johannesburg |
| **South Korea** | The Hongkong and Shanghai Banking Corporation Limited | Seoul |
| **South Korea** | Deutsche Bank AG | Seoul |

| | | |
|---|---|---|
| **Spain** | Banco Bilbao Vizcaya Argentaria, S.A. | Bilbao |
| **Spain** | Santander Securities Services, S.A.U. | Madrid |
| **Sri Lanka** | The Hongkong and Shanghai Banking Corporation Limited | Colombo |
| **Swaziland** | Standard Bank Swaziland Limited | Mbabane |
| **Sweden** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **Switzerland** | Credit Suisse (Switzerland) Ltd | Zurich |
| **Switzerland** | UBS Switzerland AG | Zurich |
| **Taiwan** | HSBC Bank (Taiwan) Limited | Taipei |
| **Tanzania** | Stanbic Bank Tanzania Limited | Dar es Salaam |
| **Thailand** | The Hongkong and Shanghai Banking Corporation Limited | Bangkok |
| **Tunisia** | Banque Internationale Arabe de Tunisie | Tunis |
| **Turkey** | Deutsche Bank A.S. | Istanbul |
| **U.A.E.** | HSBC Bank Middle East Limited, Dubai | Dubai |
| **U.K.** | Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch | London |
| **U.K.** | The Bank of New York Mellon | New York |
| **U.S.A.** | The Bank of New York Mellon | New York |
| **U.S.A. Precious Metals** | HSBC Bank, USA N.A | New York |
| **Uganda** | Stanbic Bank Uganda Limited | Kampala |
| **Ukraine** | Public Joint Stock Company "Citibank" | Kiev |
| **Uruguay** | Banco Itaú Uruguay S.A. | Montevideo |
| **Vietnam** | HSBC Bank (Vietnam) Ltd | Ho Chi Minh City |
| **Zambia** | Stanbic Bank Zambia Limited | Lusaka |
| **Zimbabwe** | Stanbic Bank Zimbabwe Limited | Harare |