

# First State Investments ICVC

Annual Report

31 July 2017

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## Authorised Corporate Director's Report

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We are pleased to present the Annual Report and Audited Financial Statements for First State Investments ICVC (the "Company"), which provides information on each of the 23 sub-funds of the Company (each a "Fund") for the year ended 31 July 2017. The Report of the Company's independent auditors, which is unqualified, is set out on pages 7-8.

In this document, we provide a review of selected financial markets followed by detailed information on each of the Funds. This information includes an investment report, performance summary, top 10 holdings, country breakdowns, and financial statements for each Fund.

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

## Information about the Company

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

Different Funds may be established from time to time by First State Investments (UK) Limited, the Authorised Corporate Director of the Company (the "Authorised Corporate Director" or the "ACD"), with the approval of the Financial Conduct Authority (the "FCA") and the agreement of the Company's Depositary.† Each Fund may issue different classes of share, and, within each class, there may be different types of share. Further 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.† Each Fund may issue different classes of share and within each class there may be different types of share.

† As at the annual financial reporting date of 31 July 2017, State Street Bank and Trust Company were Depositary, Custodian and Administrator of the First State Investments ICVC. The Bank of New York Mellon (International) Limited were appointed Depositary, Custodian and Administrator on 1 August 2017.

## Changes to the Prospectus and Instrument of Incorporation of First State Investments ICVC since 31 July 2016

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

- The FCA approved an update to the Prospectus and the Instrument of Incorporation on 25 January 2017; the main updates to the Prospectus were:
  - o Two new sub-funds were approved:
    - o First State All China Fund; and the
    - o First State Global Emerging Markets Focus FundBoth Funds will have a 4% initial charge from launch. First State Global Emerging Markets Focus was open for investment at 31 July 2017.
  - o Revocation and removal of the First State Global Agribusiness Fund from the offering documents of the Company.
  - o Revocation and removal of the First State Global Interest Rates and Currency Fund from the offering documents of the Company.
  - o The Fees were reduced for the Stewart Investors Worldwide Sustainability; the effective date for these was 1 January 2017.
  - o Inclusion of the new regulated markets for a number of Funds in the Company; this included:
    - o Argentina;
    - o Bangladesh;
    - o Botswana;
    - o Pakistan;
    - o Qatar;
    - o Saudi Arabia; and
    - o Vietnam.

- o Amendments to the list of Directors.
- o Inclusion of language in relation to RQFII.
- o Inclusion of language in relation to Shenzhen-HK Stock Connect.
- o New risk factor for "Derivative standstill protocol".
- o Disclosures in relation to the Regulation on transparency of securities financing transactions and of reuse (SFTR).
- o Amendments to the dates of material contracts.
- o Inclusion of USD share classes in the Stewart Investors Global Emerging Markets Leaders Fund.
- o A reduction in the initial charge from 4% to 0% for the First State Asia All-Cap Fund, the effective date for this was 30 November 2016.
- o Amendment of the Registrar's address (the Bank of New York Mellon (International) Limited) from Brentwood to Darlington effective from December 2016.
- o Correction of typographical errors identified.
- The main updates to the Instrument of Incorporation of the Company on 25 January 2017 were:
  - o The addition of the two new sub-funds:
    - o First State All China Fund; and the
    - o First State Global Emerging Markets Focus Fund.
  - o Removal of the First State Global Agribusiness Fund.
  - o Removal of the First State Global Interest Rates and Currency Fund.
- The FCA approved an update to the Prospectus on 1 August 2017; the main updates to the Prospectus were:
  - o Amendments to the Depositary of the Company from State Street Trustees Limited to The Bank of New York Mellon (International) Limited;
  - o Amendments to the Custodian of the Company from State Street Bank and Trust Company to The Bank of New York Mellon (International) Limited;
  - o Amendment to the Fund Administrator from State Street Bank and Trust Company to The Bank of New York Mellon (International) Limited;
  - o Amendments to the Terms used in the Document;
  - o Inclusion of the product reference numbers for the FS All China Fund and the FS Global Emerging Markets Focus Fund;
  - o Amendments throughout in relation to share class hedging;
  - o Amendments to the material contracts in line with the amendments to the Depositary, Custodian and Fund Administrator of the Company;
  - o Minor amendments to the Directors' biographies;
  - o Inclusion of language to clarify the settlement process under the section Buying Shares;
  - o Amendments to the table at the start of the Fees and Expenses section;
  - o Amendments in relation to the Depositary fees, Transaction charges and Custody charges as a consequence of the amendment to the Depositary of the Company;
  - o Amendments to the Taxation section and language on Gross Share Classes as a result of "Finance Act 2017, Schedule 5 – Deduction of income tax at source" and the amendments to Chapter 3, Part 15 of ITA 2007, deduction of tax from certain payments of yearly interest;
  - o Amendments to the Currency Hedged Share Class Risk;
  - o Removal of the 4% initial charge on the First State All China Fund;
  - o Minor amendments to the RQFII language under the China Market Risk, point E1;
  - o Updates to the Currency Hedged Share Class Risk;
  - o Updates to the Management and Administration Section covering the changes from State Street to The Bank of New York Mellon, updates to the Conflicts of Interest;
  - o Reformatting of all the tables under Appendix I;
  - o Updates to Appendix I, Fund Performance for 2016;
  - o Inclusion of a Class B GBP net income share class for the First State Asia Focus Fund;

- o Inclusion of Class Z shares for all Funds in the Company;
- o Inclusion of Class E shares for the First State Diversified Growth Fund in the Company;
- o Inclusion of new bullet points for all Funds regarding:
  - o Gross and Net share classes;
  - o Class Z;
  - o Class E (First State Diversified Growth Fund only); and
  - o That not all classes are open;
- o Appendix II, removal of the extra column in the first table between Thailand and Turkey;
- o Appendix II, the addition of Eligible Securities Markets for the First State Emerging Markets Local Currency Bond Fund:
  - o Argentina;
  - o Chile;
  - o Hong Kong; and
  - o Israel.
- o Appendix III, minor amendments;
- o Appendix IV in line with the change to BNY Mellon.

A copy of the Prospectus is available on request.

## The Investment Manager

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

(a) the First State Global Resources Fund, the First State Asian Property Securities Fund, the First State Global Property Securities Fund, the First State Global Listed Infrastructure Fund, the Stewart Investors Asia Pacific Sustainability Fund, the Stewart Investors Asia Pacific Leaders Fund, the Stewart Investors Global Emerging Markets Sustainability Fund and the Stewart Investors Worldwide Sustainability Fund to Colonial First State Asset Management (Australia) Limited, a company registered in Australia, by agreement dated 8 September 2006 as amended;

(b) the First State All China Fund, the First State Greater China Growth Fund, the First State Asia All-Cap Fund, the First State Asia Focus Fund and the First State Japan Focus Fund to First State Investments (Hong Kong) Limited, a company registered in Hong Kong, by agreement dated 24 October 2003 as amended; and

(c) the First State Global Emerging Markets Focus Fund, the First State Diversified Growth Fund and the Stewart Investors Indian Subcontinent Fund to First State Investments (Singapore), a company registered in Singapore, by agreement dated 7 January 2013 as amended.

### Cross Holdings

There were no cross holdings between sub-funds in First State Investments ICVC as at 31 July 2017.

## Remuneration

The table below provides an overview of the following:

- Aggregate total remuneration paid by First State Investments (UK) Limited to its staff; and
- Aggregate total remuneration paid to all UCITS code staff.

	Headcount	Total Remuneration (£)
FSI UK Staff	17	5,812,138
<i>of which</i>		
Fixed remuneration	17	1,017,441
Variable remuneration	14	4,798,294
Performance fees		
UCITS Aggregate Remuneration Code Staff	67	44,891,121
<i>of which</i>		
Senior Management	24	8,398,693
Other UCITS Code Staff	43	36,492,428

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

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

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

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

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

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

The Board adopts, and reviews annually, the general principles of the applicable remuneration policies. The Committee reviews the implementation of the remuneration policies for code staff at least annually for compliance with policies and procedures. No irregularities have been identified in the course of these reviews. During the period, changes have been made to the adopted remuneration policies in order to ensure compliance with the requirements under the UCITS Directive and related Guidance, including deferral and retention arrangements and the requirement to satisfy incentive awards partially in shares in the Company.

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

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

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

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

## Report of the Authorised Corporate Director

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

**Adrian Hilderly**  
Director  
First State Investments (UK) Limited  
12 October 2017

## Statement of Depositary's Responsibilities

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for the year ended 31 July 2017

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

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

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

The Depositary must ensure that:

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

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

## Depositary's Report

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

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

State Street Trustees Limited

Edinburgh

12 October 2017

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

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for the year ended 31 July 2017

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 July 2017 and of the net revenue/(expenses) and the net capital gains/(losses) of the scheme property of the Company and each of the sub-funds for the year/period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

First State Investments ICVC (the "Company") is an open-ended investment company ('OEIC') with 23 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheets as at 31 July 2017; the statements of total return and the statements of change in net assets attributable to shareholders for the year/period then ended; the distribution tables and the notes to the financial statements, which include the summary of significant accounting policies and notes to the financial statements of individual sub-funds.

### Basis for opinion

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

### *Independence*

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

### Emphasis of Matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of preparation for the First State Emerging Markets Local Currency Bond Fund, for which the Authorised Corporate Director has confirmed their intention to terminate within one year of the date of approval of the financial statements. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements for this Fund have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary to the Fund's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

### Conclusions relating to going concern

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

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

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

### Reporting on other information

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

for the year ended 31 July 2017

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

## *Authorised Corporate Director's Report*

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

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the Authorised Corporate Director for the financial statements*

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

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

### *Auditors' responsibilities for the audit of the financial statements*

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

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

### *Use of this report*

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

## **Other required reporting**

### **Opinion on matter required by the Collective Investment Schemes Sourcebook**

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

### **Collective Investment Schemes Sourcebook exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

**PricewaterhouseCoopers LLP**  
**Chartered Accountants & Statutory Auditors**  
**Edinburgh**  
**12 October 2017**

## Summary of Significant Accounting Policies Applicable to All Sub-Funds

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as at 31 July 2017

### 1. Accounting and distribution policies

#### (a) Basis of accounting

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

All of the sub-funds have been prepared on a going concern basis with the exception of the First State Emerging Markets Local Currency Bond Fund which the Authorised Corporate Director intends to terminate within one year of the date of approval of the financial statements and therefore the financial statements of this Fund has been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of the Fund continue to be stated at their fair values, which materially equate to their residual values. No adjustments were necessary in either Fund's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

#### (b) Basis of valuation of investments

The value of the Funds as at 31 July 2017 was calculated using the bid market value of investments as at 12:00 midday on 31 July 2017, net of any accrued interest. Investments for which published market values are not available are included at the Authorised Corporate Director's valuation.

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

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

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

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

#### (c) Exchange rates

Amounts in overseas currencies are translated at the exchange rates ruling at the close of business on 31 July 2017. Transactions denominated in foreign currencies are converted to sterling at the exchange rate ruling at the date of the transaction.

#### (d) Distribution policy

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

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

All the other Funds make dividend distributions.

#### (e) Recognition of revenue

Dividends on equities are recognised when the security is quoted ex-dividend. Other revenue is accounted for on an accruals basis. UK dividends are shown net of tax credits.

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

Dividends from UK real estate investment trusts ("UK REITs") are recognised as distributable revenue when the securities are quoted ex-dividend.

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

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

## Summary of Significant Accounting Policies Applicable to All Sub-Funds

(continued)

as at 31 July 2017

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

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

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

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

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

### (f) Treatment of expenses

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

### (g) Taxation

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

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

Overseas capital gains tax is recognised when paid, and no provision is made for this.

### (h) Equalisation

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

### (i) Dilution adjustment

On 1 February 2005, single swinging pricing was adopted for the Funds of the Company. The ACD reserves the right at its sole discretion to impose a dilution adjustment.

For example:

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

See the Prospectus for full details.

as at 31 July 2017

### (j) Derivative financial instruments

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

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

### (k) Foreign currency translation

Items included in the Company's financial statements are measured using the primary economic environment in which it operates (the "functional currency"). The functional currency of each Fund is GBP with the exception of First State Emerging Markets Local Currency Bond Fund and First State Global Interest Rates and Currency Fund, which have adopted USD as their functional currency.

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

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

#### Other Matters

##### High Court Claim

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

##### Foreign Retrospective Tax Claims

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



for the period 1 March 2017 to 31 July 2017

### Cumulative performance as at 31 July 2017

We are not in a position to provide performance data as the Fund was launched to the market on 1 March 2017. This will be provided in future reports once the Fund has obtained a track record of one year.

### Ten largest holdings

<b>Stock name</b>	<b>31 July 2017 % of Fund</b>
China Mengniu Dairy	6.34
Shanghai International Airport 'A'	5.86
Bank of Ningbo	5.46
Jiangsu Hengrui Medicine	5.02
Yunnan Baiyao Group	4.07
China Telecom	3.63
China Resources Gas Group	3.23
Shanghai M&G Stationery	3.11
Luye Pharma Group	3.03
ASM Pacific Technology	2.91

### Types of shares

Accumulation.

# First State All China Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED STATES</b>	<b>42</b>	<b>1.68</b>
881 JD.com ADR	30	1.20
201 Weibo ADR	12	0.48
<b>CHINA</b>	<b>1,578</b>	<b>62.89</b>
76,713 Bank of Ningbo	137	5.46
55,000 Beijing Yanjing Brewery	40	1.59
28,000 Changyuan Group	48	1.91
51,000 China Longyuan Power Group	28	1.12
107,000 China Mengniu Dairy	159	6.34
15,500 China National Accord Medicines	69	2.75
252,000 China Telecom	91	3.63
5,512 Foshan Haitian Flavouring & Food	24	0.96
25,300 Fuyao Glass Industry Group	66	2.63
12,500 Great Wall Motor	12	0.48
11,000 Gree Electric Appliances 'A' Shares	49	1.95
21,693 Jiangsu Hengrui Medicine	126	5.02
59,400 Kingenta Ecological Engineering Group	55	2.19
31,755 Lianhe Chemical Technology	48	1.91
22,000 PICC Property & Casualty	31	1.23
7,800 Shandong Himile Mechanical Science & Technology	19	0.76
23,000 Shanghai Fudan-Zhangjiang Bio-Pharmaceutical	10	0.40
34,600 Shanghai International Airport 'A' Shares	147	5.86
39,900 Shanghai M&G Stationery	78	3.11
4,200 Shenzhen Inovance Technology	12	0.48
8,000 Shenzhou International Group Holdings	41	1.63
10,000 Tong Ren Tang Technologies 'H' Shares	11	0.44
20,000 Tsingtao Brewery	65	2.59
10,100 Venustech Group	22	0.88
3,200 Wanhua Chemical Group	12	0.48
41,860 Xinjiang Goldwind Science & Technology	36	1.43
10,217 Yunnan Baiyao Group	102	4.07
17,830 Zhejiang Chint Electrics	40	1.59
<b>HONG KONG</b>	<b>668</b>	<b>26.62</b>
3,000 AAC Technologies Holdings	31	1.23
7,400 ASM Pacific Technology	73	2.91
43,000 China Medical System Holdings	56	2.23
24,000 China Resources Beer Holdings	46	1.83
28,000 China Resources Gas Group	81	3.23
11,000 China Resources Phoenix Healthcare Holdings	10	0.40
58,000 CIMC Enric Holdings	31	1.24
2,224 Hong Kong Exchanges and Clearing	48	1.91
36,000 Lee's Pharmaceutical Holdings	22	0.88
177,500 Luye Pharma Group	76	3.03

# First State All China Fund

## Portfolio Statement

(continued)

as at 31 July 2017

	Market Value £'000	Total Net Assets %
<b>Holdings</b>		
11,200 Sinopharm Group	36	1.43
1,800 Tencent Holdings	55	2.19
121,952 Towngas China	65	2.59
94,000 Wasion Group Holdings	32	1.28
44,000 Yashili International Holdings	6	0.24
<b>Portfolio of investments</b>	<b>2,288</b>	<b>91.19</b>
<b>Net other assets</b>	<b>221</b>	<b>8.81</b>
<b>Total net assets</b>	<b>2,509</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

Stocks shown as ADRs represent American Depositary Receipts.

There are no comparatives for this statement as this Fund launched on 1 March 2017.

# First State All China Fund

## Comparative Table

for the period 1 March 2017 to 31 July 2017

### Net Asset Value and Ongoing Charges Figure

Final 31 July 2017  
(c)

#### Share class B Accumulation (USD share class)

##### Change in net assets per share

Opening net asset value per share	100.00
Return before operating charges*	10.45
Operating charges	(0.68)
Return after operating charges*	9.77
Distributions	(0.68)
Retained distributions on accumulation shares	0.68
Closing net asset value per share (c)	109.77

\* after direct transaction costs of: 0.20

##### Performance

Return after charges (%) 9.77%

##### Other information

Closing net asset value (\$'000)	3,293
Closing number of shares	3,000,000
Operating charges	1.53%
Direct transaction costs	0.19%

##### Prices

Highest share price	111.78
Lowest share price	99.24

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

## First State All China Fund

### Statement of Total Return

for the period 1 March 2017 to 31 July 2017

	Notes	31 July 2017	
		£'000	£'000
Income			
Net capital gains	2		57
Revenue	3	31	
Expenses	4	(13)	
Interest payable and similar charges		-	
<b>Net revenue before taxation</b>		<b>18</b>	
Taxation	5	(2)	
<b>Net revenue after taxation</b>			<b>16</b>
<b>Total return before distribution</b>			<b>73</b>
Distribution	6		(16)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>57</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the period 1 March 2017 to 31 July 2017

	31 July 2017	
	£'000	£'000
Amounts receivable on issue of shares	2,436	
		2,436
Change in net assets attributable to shareholders from investment activities		57
Retained distribution on accumulation shares		16
<b>Closing net assets attributable to shareholders</b>		<b>2,509</b>

No comparatives are shown as the Fund was launched on 1 March 2017.

*Notes to the Financial Statements are on pages 19 to 23.*

# First State All China Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000
<b>Assets</b>		
<b>Fixed assets</b>		
Investments		<u>2,288</u>
<b>Current assets</b>		
Debtors	8	17
Cash and bank balances		<u>231</u>
<b>Total assets</b>		<u><u>2,536</u></u>
<b>Liabilities</b>		
<b>Creditors</b>		
Other creditors	9	<u>(27)</u>
<b>Total liabilities</b>		<u>(27)</u>
<b>Net assets attributable to shareholders</b>		<u><u>2,509</u></u>

No comparatives are shown as the Fund was launched on 1 March 2017.

*Notes to the Financial Statements are on pages 19 to 23.*

## Notes to the Financial Statements

as at 31 July 2017

**1. Accounting basis and policies**

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

**2. Net capital gains**

The net capital gains during the period comprise:

	31 July 2017 £'000
Non-derivative securities	56
Currency gains	1
Net capital gains	<u>57</u>

**3. Revenue**

	31 July 2017 £'000
Overseas non-taxable revenue	29
Overseas scrip dividends	2
Total revenue	<u>31</u>

**4. Expenses**

	31 July 2017 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>	
ACD's periodic charge	10
ACD's periodic charge rebate	<u>(26)</u>
	<u>(16)</u>
<b>Other expenses:</b>	
Audit fee	6
Other expenses	<u>23</u>
	<u>29</u>
Total expenses	<u>13</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

31 July 2017  
£'000

## (a) Analysis of charge in period:

Irrecoverable overseas tax

2

## (b) Factors affecting current tax charge for the period:

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

Net revenue before taxation

18

Corporation tax of 20%

3

**Effects of:**

Overseas non-taxable revenue\*

(6)

Movement in excess management expenses

3

Irrecoverable overseas tax

2

Total tax charge for period (note 5a)

2

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

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

## (c) Deferred taxation:

There is no provision required for deferred taxation at the balance sheet date in the current period.

## (d) Factors that may affect future tax charges:

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,697; this relates to surplus management expenses.

## 6. Distribution

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

31 July 2017  
£'000

Final distribution

16

Net distribution for the period

16

*Details of the distribution per share is set out in the Distribution Table on page 24.*

## 7. Movement between net revenue and net distribution

31 July 2017  
£'000

Net revenue after taxation

16

Net distribution for the period

16

## 8. Debtors

31 July 2017  
£'000

Sales awaiting settlement

14

Accrued revenue

3

Total debtors

17

## 9. Creditors

31 July 2017  
£'000

Purchases awaiting settlement

7

Accrued expenses

20

Total creditors

27

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases 31 July 2017 £'000	Sales 31 July 2017 £'000
Equities	2,498	274
Trades in the period before transaction costs	<u>2,498</u>	<u>274</u>
<b>Commissions</b>		
Equities	3	-
<b>Taxes</b>		
Equities	<u>2</u>	<u>-</u>
Total costs	<u>5</u>	<u>-</u>
<b>Total net trades in the period after transaction costs</b>	<u><u>2,503</u></u>	<u><u>274</u></u>

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

	Purchases 31 July 2017 %	Sales 31 July 2017 %
<b>Commissions</b>		
Equities	0.12	-
<b>Taxes</b>		
Equities	0.08	-

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

	31 July 2017 %
Commissions	0.12
Taxes	<u>0.07</u>
Total costs	<u><u>0.19</u></u>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.18%.

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities and no commitments.

as at 31 July 2017

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£228,816).

*(b) Interest-rate risk*

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

As at 31 July 2017, 9.21% of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State All China Fund would be an increase or decrease of approximately £578.

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

**Net foreign currency assets**  
**31 July 2017**

Currency	Total £'000
Chinese yuan	1,025
Hong Kong dollar	1,212
US dollar	61
Total	2,298

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.58% (£114,914).

as at 31 July 2017

**13. Related parties**

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

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

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 100% of the net asset value of the Fund.

**14. Share classes**

The Fund has one share class in issue.

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

Share class B Accumulation (USD share class) Institutional:	%
	1.00

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

The distribution per share class is given in the Distribution Table on page 24.

**Reconciliation of the shares movement in the period:**

	1 March 2017			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class B Accumulation (USD share class) Institutional	-	3,000,000	-	-	3,000,000

**15. Fair value**

Valuation technique	31 July 2017	
	Assets	Liabilities
	£'000	£'000
Level 1	2,288	-
Level 2	-	-
Level 3	-	-
Total fair value	<u>2,288</u>	<u>-</u>

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

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

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

# First State All China Fund

## Distribution Table

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for the period 1 March 2017 to 31 July 2017

### Distribution in cents per share

Group 2 Final - Shares purchased between 1 March 2017 and 31 July 2017

#### Share class B Accumulation (USD share class)

	Net revenue (c)	Equalisation (c)	Distributions paid to/payable 30/09/2017 (c)
Group 2 Final	0.6781	-	0.6781

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

#### Corporate tax for all share classes (unaudited)

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

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

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

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

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

# First State Asia All-Cap Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

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

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

Investment may be in cash or near cash.

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

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

### Risks and reward profile

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

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

\* The SRRI changed from 6 to 5 on 10 February 2017.

\*\* The SRRI changed from 6 to 5 on 31 March 2017.

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 19.8% in sterling terms over the year to 31 July 2017.

Key contributors to performance over the year included HDFC Bank ADR, which shrugged off India's demonetisation disruption last November to report an increase in net profits, driven by strong asset growth and better than expected net interest income. Taiwan Semiconductor Manufacturing continued to benefit from the ramp-up in sales of the Apple iPhone. Though the company has guided for lower growth in 2017, in our view, this is still one of the best companies to own in this space and valuations remain reasonable.

On the negative side, Brambles slumped after the company announced that weakness in its North American business would likely result in lower than expected profit growth. AmorePacific Group declined due to geopolitical tension between South Korea and China (a significant proportion of sales is derived from the mainland).

for the year ended 31 July 2017

### Portfolio changes

Significant new purchases over the year included Midea Group, a home appliances manufacturer in China, which, in our view, has decent growth prospects and had been increasing its market share. John Keells Holdings, Sri Lanka's largest conglomerate, was purchased on an attractive valuation given the prospect of an improving Return on Equity (ROE). The Company intends to divest its casino business and pursues less capital-intensive business ventures.

The Fund divested Brambles on concerns that the pursuit of growth has been at the expense of cash flow, to the extent that it looks unsustainable. The lack of free cash flow generation (dividends have been paid out of debt) and growth (Earnings Per Share [EPS] have remained flat for the last nine years) has been worrying. LG Corp was sold on valuation concerns as it was trading close to its upper historical range.

### Outlook

The Fund remains cautiously positioned as Asia Pacific equity markets continue to be buffeted by geopolitical events. The status quo in Western democracies has, unsurprisingly, been challenged due to rising levels of income inequality and public discontent. Though there have been positive signs of a revival in world trade growth in general and Asian exports in particular, concerns around populism and a backlash against globalisation remain. Meanwhile, softer inflationary concerns coupled with an overly tightening bias from central banks has the potential to stamp out what little recovery there is.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	6.6	10.7	19.8	-	-	-	44.1
Benchmark return %	7.9	13.7	25.4	-	-	-	49.2
Sector return %	7.2	12.0	22.3	-	-	-	47.7
Quartile ranking	3	3	3	-	-	-	3

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	19.8	-	-	-	-

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

Sector: IA Asia Pacific (ex-Japan).

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

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
First State Indian Subcontinent Fund 3 Accumulation USD	6.71	First State Indian Subcontinent Fund 3 Accumulation USD	8.03	
Taiwan Semiconductor Manufacturing	5.14	Taiwan Semiconductor Manufacturing	4.86	
HDFC Bank ADR	4.55	CSL	4.68	
CSL	3.74	HDFC Bank ADR	3.96	
CK Hutchison Holdings	3.31	CK Hutchison Holdings	3.76	
Towngas China	2.84	Towngas China	3.16	
Samsung Electronics Preference Shares	2.71	Brambles	3.01	
Manila Water	2.46	Dr Reddy's Laboratories ADR	2.78	
Oversea-Chinese Banking	1.93	Delta Electronics	2.60	
Midea Group	1.89	Tong Ren Tang Technologies 'H'	2.47	

### Types of shares

Accumulation.

# First State Asia All-Cap Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED STATES (0.85%*)</b>	<b>46</b>	<b>0.60</b>
272 Baidu ADR	46	0.60
<b>IRELAND (0.00%*)‡</b>	-	-
<b>SPAIN (0.00%*)</b>	<b>78</b>	<b>1.02</b>
4,166 CIE Automotive	78	1.02
<b>JAPAN (8.32%*)</b>	<b>385</b>	<b>5.02</b>
400 Keyence	141	1.84
6,000 MISUMI Group	113	1.47
2,600 Pigeon	73	0.95
300 Ryohin Keikaku	58	0.76
<b>AUSTRALIA (8.82%*)</b>	<b>508</b>	<b>6.62</b>
3,751 CSL	287	3.74
3,010 Ramsay Health Care	129	1.68
15,717 ResMed CDI	92	1.20
<b>BANGLADESH (0.95%*)</b>	<b>115</b>	<b>1.50</b>
11,990 Marico Bangladesh	115	1.50
<b>CHINA (10.59%*)</b>	<b>716</b>	<b>9.33</b>
254,000 China BlueChemical 'H' Shares	54	0.70
76,000 China Mengniu Dairy	113	1.47
38,499 China South Publishing & Media Group	75	0.98
21,000 ENN Energy Holdings	108	1.41
34,423 Fuyao Glass Industry Group 'H' Shares	89	1.16
31,000 Midea Group	145	1.89
120,000 Tong Ren Tang Technologies 'H' Shares	132	1.72
<b>HONG KONG (13.60%*)</b>	<b>1,145</b>	<b>14.91</b>
11,500 AAC Technologies Holdings	118	1.54
80,500 Aeon Stores Hong Kong	55	0.72
19,800 AIA Group	119	1.55
6,300 ASM Pacific Technology	62	0.81
42,500 China Resources Phoenix Healthcare Holdings	41	0.53
25,500 CK Hutchison Holdings	255	3.31
54,000 CSPC Pharmaceutical Group	64	0.83
32,000 Minth Group	112	1.46
407,259 Towngas China	218	2.84
62,000 Vitasoy International Holdings	101	1.32
<b>INDIA (16.21%*)‡</b>	<b>1,022</b>	<b>13.31</b>
2,539 Dr Reddy's Laboratories ADR	71	0.92
27,716 First State Indian Subcontinent Fund 3 Accumulation USD†	515	6.71
4,723 HDFC Bank ADR	349	4.55
7,277 Infosys ADR	87	1.13
<b>INDONESIA (1.95%*)</b>	<b>294</b>	<b>3.83</b>
3,481,000 BFI Finance Indonesia	106	1.38
1,093,100 Hero Supermarket	70	0.91
48,800 Indocement Tunggal Prakarsa	48	0.63
1,087,100 Selamat Sempurna	70	0.91
<b>MALAYSIA (0.93%*)</b>	-	-
<b>PAKISTAN (0.00%*)</b>	<b>36</b>	<b>0.47</b>
2,860 Indus Motor	36	0.47
<b>PHILIPPINES (7.20%*)</b>	<b>696</b>	<b>9.07</b>
52,843 BDO Unibank	99	1.29

# First State Asia All-Cap Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
136,300 China Banking	75	0.98
314,100 DMCI Holdings	76	0.99
413,100 Integrated Micro-Electronics	82	1.07
391,400 Manila Water	189	2.46
7,830 SM Investments	95	1.24
33,130 Universal Robina	80	1.04
<b>SINGAPORE (5.02%*)</b>	<b>398</b>	<b>5.18</b>
20,400 Dairy Farm International Holdings	125	1.63
12,100 Haw Par	71	0.92
23,226 Oversea-Chinese Banking	148	1.93
74,820 Raffles Medical Group	54	0.70
<b>SOUTH KOREA (6.32%*)</b>	<b>854</b>	<b>11.13</b>
1,944 AMOREPACIFIC Group Preference Shares	72	0.94
8,066 Hanon Systems	56	0.73
2,007 Koh Young Technology	87	1.13
2,680 Korea Kolmar Holdings	54	0.70
2,391 LEENO Industrial	81	1.06
332 LG Household & Health Care Preference Shares	144	1.88
137 NAVER	75	0.98
158 Samsung Electronics Preference Shares	208	2.71
2,297 Vieworks	77	1.00
<b>SRI LANKA (1.16%*)</b>	<b>255</b>	<b>3.32</b>
191,606 Hemas Holdings	140	1.82
133,005 John Keells Holdings	115	1.50
<b>TAIWAN (15.28%*)</b>	<b>758</b>	<b>9.88</b>
20,899 Advantech	120	1.56
33,365 Delta Electronics	135	1.76
13,387 Posiflex Technology	56	0.73
73,000 Taiwan Semiconductor Manufacturing	394	5.14
21,570 Wistron NeWeb	53	0.69
<b>THAILAND (2.85%*)</b>	<b>201</b>	<b>2.62</b>
46,900 Delta Electronics Thailand	95	1.24
23,500 Kasikornbank	106	1.38
<b>VIETNAM (0.00%*)</b>	<b>189</b>	<b>2.46</b>
48,968 FPT	79	1.03
88,400 Refrigeration Electrical Engineering	110	1.43
<b>Portfolio of investments</b>	<b>7,696</b>	<b>100.27</b>
<b>Net other liabilities</b>	<b>(21)</b>	<b>(0.27)</b>
<b>Total net assets</b>	<b>7,675</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as CDIs represent Chess Depositary Interests.

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

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# First State Asia All-Cap Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)
<b>Share class B Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	120.03	100.00
Return before operating charges*	26.01	21.29
Operating charges	(2.12)	(1.26)
Return after operating charges*	23.89	20.03
Distributions*	(0.92)	(0.49)
Retained distributions on accumulation shares	0.92	0.49
Closing net asset value per share (p)	143.92	120.03
* after direct transaction costs of:	0.25	0.15
<b>Performance</b>		
Return after charges (%)	19.90%	20.03%
<b>Other information</b>		
Closing net asset value (£'000)	7,674	3,887
Closing number of shares	5,332,127	3,238,286
Operating charges	1.60%	1.60%
Direct transaction costs	0.19%	0.14%
<b>Prices</b>		
Highest share price	146.83	121.19
Lowest share price	118.62	93.00

Share class B Accumulation was launched on 26 October 2015.

# First State Asia All-Cap Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

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

Share class B Accumulation (EUR share class) was launched on 26 October 2015.

# First State Asia All-Cap Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		911		633
Revenue	3	146		59	
Expenses	4	(90)		(36)	
Interest payable and similar charges		-		-	
<b>Net revenue before taxation</b>		<b>56</b>		<b>23</b>	
Taxation	5	(14)		(7)	
<b>Net revenue after taxation</b>			<b>42</b>		<b>16</b>
<b>Total return before distributions</b>			<b>953</b>		<b>649</b>
Distribution	6		(42)		(16)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>911</b>		<b>633</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>3,888</b>		-
Amounts receivable on issue of shares	5,236		3,242	
Less: Amounts payable on cancellation of shares	(2,447)		(3)	
		2,789		3,239
Dilution adjustment		38		-
Change in net assets attributable to shareholders from investment activities		911		633
Retained distribution on accumulation shares		49		16
<b>Closing net assets attributable to shareholders</b>		<b>7,675</b>		<b>3,888</b>

Notes to the Financial Statements are on pages 33 to 37.

# First State Asia All-Cap Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>7,696</u>	<u>3,890</u>
<b>Current assets</b>			
Debtors	8	15	13
Cash and bank balances		<u>98</u>	<u>26</u>
<b>Total assets</b>		<u><b>7,809</b></u>	<u><b>3,929</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(134)</u>	<u>(41)</u>
<b>Total liabilities</b>		<u><b>(134)</b></u>	<u><b>(41)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>7,675</b></u></u>	<u><u><b>3,888</b></u></u>

*Notes to the Financial Statements are on pages 33 to 37.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	914	633
Currency losses	(3)	-
Net capital gains	<u>911</u>	<u>633</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	1	-
Overseas non-taxable revenue	140	54
Overseas scrip dividends	5	5
Total revenue	<u>146</u>	<u>59</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	77	30
ACD's periodic charge rebate	(33)	(47)
	<u>44</u>	<u>(17)</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>1</u>	<u>2</u>
<b>Other expenses:</b>		
Audit fee*	1	9
Safe custody charges	1	-
Other expenses	43	42
	<u>45</u>	<u>51</u>
Total expenses	<u>90</u>	<u>36</u>

\* The Audit fee for the year to 31 July 2017 is £8,447 net of VAT. The figure above includes an adjustment for the over accrual of the prior years fee.

as at 31 July 2017

**5. Taxation**

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	14	7
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	56	23
Corporation tax of 20% (2016: 20%)	11	5
<b>Effects of:</b>		
Non-taxable scrip dividends*	(1)	(1)
Overseas non-taxable revenue*	(28)	(11)
Movement in excess management expenses	18	7
Irrecoverable overseas tax	14	7
Total tax charge for year (note 5a)	14	7

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £25,158 (31/07/16: £7,311); this relates to surplus management expenses. No deferred tax asset was recognised in the current year and prior period as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	3	-
Final distribution	46	16
	49	16
Add: revenue deducted on cancellation of shares	9	-
Deduct: revenue received on issue of shares	(16)	-
Net distributions for the year	42	16

*Details of the distribution per share are set out in the Distribution Tables on page 38.*

**7. Movement between net revenue and net distributions**

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	42	16
Net distributions for the year	42	16

**8. Debtors**

	31 July 2017 £'000	31 July 2016 £'000
Sales awaiting settlement	7	-
Accrued revenue	8	5
Net ACD rebate recoverable	-	8
Total debtors	15	13

as at 31 July 2017

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	85	5
Accrued expenses	49	36
<b>Total creditors</b>	<b>134</b>	<b>41</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	4,830	3,330	1,961	334
Collective investment schemes	-	260	-	8
<b>Trades in the year before transaction costs</b>	<b>4,830</b>	<b>3,590</b>	<b>1,961</b>	<b>342</b>
<b>Commissions</b>				
Equities	5	3	(2)	-
<b>Taxes</b>				
Equities	2	1	(3)	-
<b>Total costs</b>	<b>7</b>	<b>4</b>	<b>(5)</b>	<b>-</b>
<b>Total net trades in the year after transaction costs</b>	<b>4,837</b>	<b>3,594</b>	<b>1,956</b>	<b>342</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.10	0.09	0.10	-
<b>Taxes</b>				
Equities	0.04	0.03	0.15	-

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.11	0.09
Taxes	0.08	0.03
<b>Total costs</b>	<b>0.19</b>	<b>0.12</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.31% (31/07/2016: 0.43%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

**12. Derivatives and other financial instruments***(a) General*

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

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

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

as at 31 July 2017

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

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

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

#### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£769,583) (31/07/16: £388,971).

#### (b) Interest-rate risk

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

As at 31 July 2017, 1.28% (31/07/2016: 0.67%) of the Fund's assets were interest-bearing.

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

#### (c) Analysis of the Fund's currency exposure

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	508	343
Bangladeshi taka	116	37
Chinese yuan	220	37
Euro	2	1
Hong Kong dollar	1,641	904
Indonesian rupiah	292	76
Japanese yen	386	325
Malaysian ringgit	-	36
Pakistan rupee	36	-
Philippine peso	692	280
Singapore dollar	273	130
South Korean won	854	247
Sri Lankan rupee	254	40
Taiwanese dollar	768	598
Thai baht	204	111
US dollar	1,195	729
Vietnamese dong	189	-
Total	<u>7,630</u>	<u>3,894</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.97% (£381,527) (31/07/16: 5.02% (£194,677)).

as at 31 July 2017

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £8,167 (31/07/16: £3,822) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 99.07% (31/07/16: 100.00%) of the net asset value of the Fund.

Investments considered to be related parties have been identified in the portfolio statement if held at the year end. Total purchases of related-party securities were £183,617 (31/07/2016: £259,733). Total sales of related-party securities were £60,112 (31/07/2016: £7,671).

**14. Share classes**

The Fund has two share classes in issue.

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

	%
Share class B Accumulation (Retail):	1.25
Share class B Accumulation (EUR share class) (Institutional):	1.25

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 29 to 30.

The distributions per share class are given in the Distribution Tables on page 38.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class B Accumulation (Retail)	3,238,286	4,044,946	(1,951,105)	-	5,332,127
Share class B Accumulation (EUR share class) (Institutional)	1,050	-	-	-	1,050

**15. Fair value**

	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£'000	£'000	£'000	£'000
Level 1	7,181	-	3,578	-
Level 2	515	-	312	-
Level 3	-	-	-	-
Total fair value	7,696	-	3,890	-

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

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

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

# First State Asia All-Cap Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

- Group 1 Interim - Shares purchased prior to 1 August 2016  
 Final - Shares purchased prior to 1 February 2017
- Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017  
 Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.0567	-	0.0567	-
Final	0.8661	-	0.8661	0.4900
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.0567	0.0567	-
Final	0.8661	-	0.8661	0.4900

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.0819	-	0.0819	-
Final	0.6904	-	0.6904	0.0038
Group 2	(c)	(c)	(c)	(c)
Interim	0.0819	-	0.0819	-
Final	0.6904	-	0.6904	0.0038

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# First State Asia Focus Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

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

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

Investment may be in cash or near cash.

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

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

### Risks and reward profile

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

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

\*The SRRRI changed from 6 to 5 on 13 January 2017.

\*\*The SRRRI changed from 6 to 5 on 24 March 2017.

The Fund might also experience the following risks:

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

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

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

for the year ended 31 July 2017

### Performance

The Fund rose by 18.9% in sterling terms over the year to 31 July 2017.

Key contributors to performance over the year included HDFC Bank ADR, which shrugged off India's demonetisation disruption last November to report an increase in net profits, driven by strong asset growth and better than expected net interest income. Taiwan Semiconductor Manufacturing continued to benefit from the ramp-up in sales of the Apple iPhone. Though the company has guided for lower growth in 2017, in our view, this is still one of the best companies to own in this space and valuations remain reasonable.

On the negative side, Brambles slumped after the company announced that weakness in its North American business would likely result in lower than expected profit growth. AmorePacific Group declined due to geopolitical tension between South Korea and China (a significant proportion of sales is derived from the mainland).

### Portfolio changes

Significant new purchases over the year included Midea Group, a home appliances manufacturer in China, which has decent growth prospects and had been increasing its market share. Housing Development Finance Corporation, one of the largest mortgage finance companies in India with growing market share and a remarkable track record, was another new addition to the Fund.

The Fund divested SMC Corp on concerns around the management response to the Well Investments report. In short, there was no admission of weakness, nor any intention to address or improve upon the issues raised, which underlined the type of company culture there. Shimano was sold following an underwhelming meeting, which raised concerns around its profits outlook, while valuations seemed to provide little upside.

### Outlook

The Fund remains cautiously positioned as Asia Pacific equity markets continue to be buffeted by geopolitical events. The status quo in Western democracies has, unsurprisingly, been challenged due to rising levels of income inequality and public discontent. Though there have been positive signs of a revival in world trade growth in general and Asian exports in particular, concerns around populism and a backlash against globalisation remain. Meanwhile, softer inflationary concerns coupled with an overly tightening bias from central banks has the potential to stamp out what little recovery there is.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	7.0	11.7	18.9	-	-	-	60.9
Benchmark return %	7.9	13.7	25.4	-	-	-	73.0
Sector return %	7.2	12.0	22.3	-	-	-	69.7
Quartile ranking	2	3	3	-	-	-	4

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	18.9	-	-	-	-

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

Sector: IA Asia Pacific (ex-Japan).

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

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
		% of Fund	Stock name	% of Fund
Taiwan Semiconductor Manufacturing	6.29	First State Indian Subcontinent Fund 3 Accumulation USD	7.67	
First State Indian Subcontinent Fund 3 Accumulation USD	5.00	Taiwan Semiconductor Manufacturing	5.26	
HDFC Bank ADR	4.78	CSL	4.90	
CSL	3.96	CK Hutchison Holdings	4.36	
CK Hutchison Holdings	3.59	HDFC Bank ADR	4.28	
Samsung Electronics Preference Shares	2.89	Brambles	4.13	
Housing Development Finance	2.84	Delta Electronics	2.55	
Ramsay Health Care	2.31	Dr Reddy's Laboratories ADR	2.43	
Dairy Farm International Holdings	2.26	Delta Electronics Thailand	2.23	
Jardine Matheson Holdings	2.07	Advantech	2.23	

### Types of shares

Accumulation.

# First State Asia Focus Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (0.00%*)‡</b>	-	-
<b>UNITED STATES (2.01%*)</b>	<b>1,286</b>	<b>1.57</b>
5,238 3M	797	0.97
2,918 Baidu ADR	489	0.60
<b>JAPAN (8.33%*)</b>	<b>4,032</b>	<b>4.93</b>
3,500 Keyence	1,230	1.50
70,900 MISUMI Group	1,336	1.63
25,200 Pigeon	710	0.87
2,000 Ryohin Keikaku	389	0.48
4,600 Tsuruha Holdings	367	0.45
<b>AUSTRALIA (11.72%*)</b>	<b>6,850</b>	<b>8.37</b>
134,846 Brambles	757	0.93
42,401 CSL	3,243	3.96
44,149 Ramsay Health Care	1,892	2.31
163,193 ResMed CDI	958	1.17
<b>CHINA (7.47%*)</b>	<b>8,051</b>	<b>9.84</b>
852,000 China Mengniu Dairy	1,264	1.54
388,714 China South Publishing & Media Group	754	0.92
309,000 ENN Energy Holdings	1,590	1.94
64,654 First State China 'A' Shares Income†	982	1.20
363,635 Fuyao Glass Industry Group 'H' Shares	940	1.15
211,115 Gree Electric Appliances 'A' Shares	938	1.15
339,292 Midea Group	1,583	1.94
<b>HONG KONG (16.09%*)</b>	<b>13,279</b>	<b>16.23</b>
141,500 AAC Technologies Holdings	1,451	1.77
271,200 AIA Group	1,627	1.99
66,400 ASM Pacific Technology	655	0.80
293,000 CK Hutchison Holdings	2,938	3.59
548,000 CSPC Pharmaceutical Group	649	0.79
35,140 Jardine Matheson Holdings	1,693	2.07
190,500 Link REIT**	1,179	1.44
370,000 Minth Group	1,292	1.58
228,500 Techtronic Industries	774	0.95
628,000 Vitasoy International Holdings	1,021	1.25
<b>INDIA (15.84%*)‡</b>	<b>12,588</b>	<b>15.38</b>
66,794 Axis Bank	413	0.51
220,162 First State Indian Subcontinent Fund 3 Accumulation USD†	4,093	5.00
53,057 HDFC Bank ADR	3,915	4.78
109,617 Housing Development Finance	2,327	2.84
88,474 Infosys ADR	1,058	1.29
9,740 Nestle India	782	0.96
<b>INDONESIA (0.00%*)</b>	<b>1,343</b>	<b>1.64</b>
779,500 Bank Central Asia	833	1.02
513,500 Indocement Tunggal Prakarsa	510	0.62
<b>MALAYSIA (0.86%*)</b>	<b>743</b>	<b>0.91</b>
205,800 Public Bank	743	0.91

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>PHILIPPINES (4.92%*)</b>	<b>5,607</b>	<b>6.85</b>
560,070 BDO Unibank	1,050	1.28
3,914,100 DMCI Holdings	952	1.16
2,880,400 Manila Water	1,392	1.70
86,835 SM Investments	1,055	1.29
482,390 Universal Robina	1,158	1.42
<b>SINGAPORE (7.18%*)</b>	<b>5,455</b>	<b>6.67</b>
301,500 Dairy Farm International Holdings	1,847	2.26
101,012 DBS Group Holdings	1,225	1.50
243,589 Oversea-Chinese Banking	1,554	1.90
371,800 Singapore Telecom	829	1.01
<b>SOUTH KOREA (5.84%*)</b>	<b>7,594</b>	<b>9.28</b>
9,341 AMOREPACIFIC Group	769	0.94
83,463 Hanon Systems	580	0.71
14,240 LG	730	0.89
3,188 LG Chem	711	0.87
2,412 LG Household & Health Care	1,626	1.99
1,489 NAVER	814	0.99
1,799 Samsung Electronics Preference Shares	2,364	2.89
<b>TAIWAN (13.84%*)</b>	<b>10,023</b>	<b>12.25</b>
244,191 Advantech	1,402	1.71
373,589 Delta Electronics	1,508	1.84
125,000 President Chain Store	808	0.99
953,000 Taiwan Semiconductor Manufacturing	5,146	6.29
796,000 Uni-President Enterprises	1,159	1.42
<b>THAILAND (3.62%*)</b>	<b>2,261</b>	<b>2.76</b>
511,300 Delta Electronics Thailand	1,033	1.26
270,900 Kasikornbank	1,228	1.50
<b>VIETNAM (0.00%*)</b>	<b>1,192</b>	<b>1.46</b>
735,830 FPT	1,192	1.46
<b>Portfolio of investments</b>	<b>80,304</b>	<b>98.14</b>
<b>Net other assets</b>	<b>1,518</b>	<b>1.86</b>
<b>Total net assets</b>	<b>81,822</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

\*\* Real estate investment trust (REIT).

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as CDIs represent Chess Depositary Interests.

† This investment is a related party (see note 12).

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# First State Asia Focus Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)
<b>Share class B Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	135.21	100.00
Return before operating charges*	27.04	36.32
Operating charges	(1.54)	(1.11)
Return after operating charges*	25.50	35.21
Distributions	(1.60)	(0.81)
Retained distributions on accumulation shares	1.60	0.81
Closing net asset value per share (p)	160.71	135.21
* after direct transaction costs of:	0.18	0.13
<b>Performance</b>		
Return after charges (%)	18.86%	35.21%
<b>Other information</b>		
Closing net asset value (£'000)	35,224	16,687
Closing number of shares	21,918,144	12,341,311
Operating charges	1.04%	1.04%
Direct transaction costs	0.12%	0.12%
<b>Prices</b>		
Highest share price	163.30	136.40
Lowest share price	133.23	99.66

Share class B Accumulation was launched on 24 August 2015.

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)
<b>Share class B Accumulation (EUR share class)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	117.30	100.00
Return before operating charges*	15.51	18.28
Operating charges	(1.21)	(0.98)
Return after operating charges*	14.30	17.30
Distributions	(1.41)	(0.72)
Retained distributions on accumulation shares	1.41	0.72
Closing net asset value per share (c)	131.60	117.30
* after direct transaction costs of:	0.15	0.13
<b>Performance</b>		
Return after charges (%)	12.19%	17.30%
<b>Other information</b>		
Closing net asset value (€'000)	50,856	49,514
Closing number of shares	38,643,504	42,211,296
Operating charges	0.97%	0.97%
Direct transaction costs	0.12%	0.12%
<b>Prices</b>		
Highest share price	135.90	119.24
Lowest share price	115.84	97.20

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

# First State Asia Focus Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)
<b>Share class B Accumulation (USD share class)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	113.45	100.00
Return before operating charges*	22.08	14.39
Operating charges	(1.14)	(0.94)
Return after operating charges*	20.94	13.45
Distributions	(1.42)	(0.77)
Retained distributions on accumulation shares	1.42	0.77
Closing net asset value per share (c)	134.39	113.45
* after direct transaction costs of:	0.15	0.13
<b>Performance</b>		
Return after charges (%)	18.46%	13.45%
<b>Other information</b>		
Closing net asset value (\$'000)	1,489	311
Closing number of shares	1,108,231	273,656
Operating charges	0.95%	0.94%
Direct transaction costs	0.12%	0.12%
<b>Prices</b>		
Highest share price	135.02	114.34
Lowest share price	106.90	93.65

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

## First State Asia Focus Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		11,753		13,851
Revenue	3	1,613		823	
Expenses	4	(666)		(394)	
Interest payable and similar charges		(1)		(4)	
<b>Net revenue before taxation</b>		<b>946</b>		<b>425</b>	
Taxation	5	(122)		(70)	
<b>Net revenue after taxation</b>			<b>824</b>		<b>355</b>
<b>Total return before distributions</b>			<b>12,577</b>		<b>14,206</b>
Distributions	6		(824)		(355)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>11,753</b>		<b>13,851</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>58,673</b>		<b>-</b>
Amounts receivable on issue of shares	22,343		49,458	
Less: Amounts payable on cancellation of shares	(11,827)		(5,097)	
		10,516		44,361
Dilution adjustment		38		103
Change in net assets attributable to shareholders from investment activities		11,753		13,851
Retained distribution on accumulation shares		842		358
<b>Closing net assets attributable to shareholders</b>		<b>81,822</b>		<b>58,673</b>

*Notes to the Financial Statements are on pages 48 to 53.*

# First State Asia Focus Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>80,304</u>	<u>57,336</u>
<b>Current assets</b>			
Debtors	8	1,661	124
Cash and bank balances		<u>1,812</u>	<u>1,285</u>
<b>Total assets</b>		<u><b>83,777</b></u>	<u><b>58,745</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(1,955)</u>	<u>(72)</u>
<b>Total liabilities</b>		<u><b>(1,955)</b></u>	<u><b>(72)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>81,822</b></u>	<u><b>58,673</b></u>

*Notes to the Financial Statements are on pages 48 to 53.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	11,837	13,719
Forward foreign exchange currency contracts	-	4
Currency (losses)/gains	(84)	128
Net capital gains	<u>11,753</u>	<u>13,851</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	1	-
Overseas non-taxable revenue	1,460	790
Property revenue from overseas REITs	45	30
Overseas scrip dividends	74	-
Distributions from regulated collective investment schemes:		
Offshore distribution non-taxable	32	-
Interest from bank deposits	1	3
Total revenue	<u>1,613</u>	<u>823</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>570</u>	<u>319</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>11</u>	<u>7</u>
<b>Other expenses:</b>		
Audit fee	6	9
Registrar fees	24	7
Safe custody charges	6	3
Other expenses	49	49
	<u>85</u>	<u>68</u>
Total expenses	<u>666</u>	<u>394</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	122	70
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	946	425
Corporation tax of 20% (2016: 20%)	189	85
<b>Effects of:</b>		
Non-taxable scrip dividends*	(15)	-
Overseas non-taxable revenue*	(298)	(158)
Movement in excess management expenses	124	73
Irrecoverable overseas tax	122	70
Total tax charge for year (note 5a)	122	70

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

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

## (c) Deferred taxation:

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

## (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £196,637 (31/07/16: £72,963); this relates to surplus management expenses. No deferred tax asset was recognised in the current year and prior period as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	158	-
Final distribution	684	358
	842	358
Add: revenue deducted on cancellation of shares	43	12
Deduct: revenue received on issue of shares	(61)	(15)
Net distributions for the year	824	355

*Details of the distribution per share are set out in the Distribution Tables on pages 54 to 55.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	824	355
Net distributions for the year	824	355

## 8. Debtors

	31 July 2017 £'000	31 July 2016 £'000
Sales awaiting settlement	1,533	-
Amounts receivable for issue of shares	61	59
Accrued revenue	67	65
Total debtors	1,661	124

as at 31 July 2017

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Amounts payable for cancellation of shares	1,845	-
Accrued expenses	110	72
<b>Total creditors</b>	<b>1,955</b>	<b>72</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	29,364	47,140	17,047	3,581
Collective investment schemes	-	-	1,314	-
<b>Trades in the year before transaction costs</b>	<b>29,364</b>	<b>47,140</b>	<b>18,361</b>	<b>3,581</b>
<b>Commissions</b>				
Equities	37	29	(18)	(4)
Collective investment schemes	-	-	-	-
<b>Taxes</b>				
Equities	11	15	(21)	(2)
Collective investment schemes	-	-	-	-
<b>Total costs</b>	<b>48</b>	<b>44</b>	<b>(39)</b>	<b>(6)</b>
<b>Total net trades in the year after transaction costs</b>	<b>29,412</b>	<b>47,184</b>	<b>18,322</b>	<b>3,575</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.13	0.06	0.11	0.11
Collective investment schemes	-	-	-	-
<b>Taxes</b>				
Equities	0.04	0.03	0.12	0.06
Collective investment schemes	-	-	-	-

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.08	0.08
Taxes	0.04	0.04
<b>Total costs</b>	<b>0.12</b>	<b>0.12</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.23% (31/07/2016: 0.23%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

as at 31 July 2017

## 12. Derivatives and other financial instruments

### (a) General

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

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

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

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

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

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

### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£8,030,437) (31/07/16: £5,733,614).

### (b) Interest-rate risk

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

As at 31 July 2017, 2.21% (31/07/2016: 2.19%) of the Fund's assets were interest-bearing.

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

### (c) Analysis of the Fund's currency exposure

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

as at 31 July 2017

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	6,850	6,877
Chinese yuan	3,275	278
Euro	80	438
Hong Kong dollar	15,379	11,926
Indian rupee	3,521	-
Indonesian rupiah	1,342	-
Japanese yen	4,037	4,887
Malaysian ringgit	743	504
Philippine peso	5,607	2,887
Singapore dollar	3,711	3,011
South Korean won	7,602	3,429
Taiwanese dollar	10,194	8,186
Thai baht	2,342	2,124
US dollar	16,468	13,560
Vietnamese dong	1,196	-
Total	<u>82,347</u>	<u>58,107</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 5.03% (£4,117,383) (31/07/16: 4.95% (£2,905,364)).

### 13. Related parties

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £59,916 (31/07/16: £38,843) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 3.62% (31/07/16: nil) of the net asset value of the Fund.

Investments considered to be related parties have been identified in the portfolio statement if held at the year end. Total purchases of related-party securities were £nil (31/07/2016: £4,058,565). Total sales of related-party securities were £1,314,221 (31/07/2016: £nil).

As at the 31 July 2017, close family members of the Directors of the ACD had a combined holding in share class B Accumulation of 0.19%.

#### Material Shareholders

DZ PrivatBank S.A. and Clearstream Banking S.A. held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 35% and 11.7% of the Fund's shares in issue respectively.

### 14. Share classes

The Fund has three share classes in issue.

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

	%
Share class B Accumulation (Retail):	0.85
Share class B Accumulation (EUR share class) (Institutional):	0.85
Share class B Accumulation (USD share class) (Institutional):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 43 to 45.

The distributions per share class are given in the Distribution Tables on pages 54 to 55.

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class B Accumulation (Retail):	12,341,311	12,825,652	(3,248,819)	-	21,918,144
Share class B Accumulation (EUR share class) (Institutional):	42,211,296	2,477,957	(6,045,749)	-	38,643,504
Share class B Accumulation (USD share class) (Institutional):	273,656	1,355,243	(520,668)	-	1,108,231

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	75,229	-	52,093	-
Level 2	5,075	-	5,243	-
Level 3	-	-	-	-
Total fair value	80,304	-	57,336	-

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

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

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

# First State Asia Focus Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.2847	-	0.2847	-
Final	1.3154	-	1.3154	0.8062
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.2847	0.2847	-
Final	0.9068	0.4086	1.3154	0.8062

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.2907	-	0.2907	-
Final	1.1187	-	1.1187	0.7229
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.2907	0.2907	-
Final	0.7414	0.3773	1.1187	0.7229

### Share class B Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.2769	-	0.2769	-
Final	1.1454	-	1.1454	0.7653
Group 2	(c)	(c)	(c)	(c)
Interim	0.0039	0.2730	0.2769	-
Final	0.4736	0.6718	1.1454	0.7653

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# Stewart Investors Asia Pacific Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

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

### Risks and reward profile

	← Lower Risk					Higher Risk →	
	Potentially Lower Rewards					Potentially Higher Rewards	
Share class A Accumulation	1	2	3	4	5	6	7
Share class A Income	1	2	3	4	5	6	7
Share class B Accumulation	1	2	3	4	5	6	7
Share class B Income	1	2	3	4	5	6	7

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

The Fund might also experience the following risk:

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

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

### Performance

The Fund rose by 10.9% in sterling terms over the year and has provided cumulative returns of 43.6% and 80.0% over three and five years respectively to 31 July 2017.

Oversea-Chinese Banking (Singapore: Financials) rose on the improving performance of its insurance and wealth management businesses, and Tata Global Beverages (India: Consumer Staples) gained on the back of lower commodity prices, lower borrowing costs, and an increased focus on exiting loss-making businesses like its Chinese joint venture. Zhongsheng Group (China: Consumer Discretionary) climbed on strong luxury car demand and increasing contribution from BMW sales.

On the negative side, Brambles (Australia: Industrials) declined due to competitive pressures in the US, and Newcrest Mining (Australia: Materials) fell because of the subdued gold price. Delfi (Singapore: Consumer Staples) was weak due to a bleak retail environment in Indonesia and higher costs as it continues to invest in rationalising its brand portfolio.

### Portfolio changes

Significant purchases over the year included Cipla (India: Health Care), one of India's oldest family-owned pharmaceutical companies, which has proven manufacturing capabilities in generic drugs and new management in place from another Indian pharmaceutical company that we respect. The Fund bought Uni-President Enterprises (Taiwan: Consumer Staples), a well-regarded Taiwanese family-run company where the Chinese business could be turning around gradually, driven largely by a more healthy product portfolio. The Fund also bought John Keells (Sri Lanka: Industrials), an out-of-favour, net cash, diversified conglomerate run by a long-tenured management team overseen by a high-quality board of directors.

The Fund sold CSL (Australia: Health Care) and AIA Group (Hong Kong: Financials) on valuation worries. The Fund also sold Taiwan Semiconductor Manufacturing (Information Technology) on valuation concerns given ongoing questions about management succession.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Outlook**

The Manager remains concerned about political instability in the Region and across the world, and continues to worry about the health of the Chinese economy where debt levels are very high and have risen rapidly in a relatively short period of time. Rising political risk in China is another risk, although we remain positive about the long-term potential for improvement at a company level in terms of corporate governance. The Manager believes that the outlook remains uncertain, and we maintain our cautious positioning due to risks in the financial system and the rising level of stock markets.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.6	5.1	10.9	43.6	80.0	201.6	4,677.0
Benchmark return %	7.9	13.7	25.4	44.8	72.3	124.2	1,094.6
Sector return %	7.2	12.0	22.3	46.6	73.7	123.4	2,021.8
Quartile ranking	4	4	4	3	2	1	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	10.9	18.7	9.1	9.3	14.6

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

*Sector: IA Asia Pacific (ex-Japan).*

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Standard Foods	4.40	Brambles	4.17	
Oversea-Chinese Banking	4.29	Oversea-Chinese Banking	4.07	
Tata Consultancy Services	4.13	CSL	3.98	
Newcrest Mining	3.80	Newcrest Mining	3.56	
MediaTek	3.40	Taiwan Semiconductor Manufacturing	3.49	
Tata Global Beverages	3.33	Standard Foods	3.03	
Uni-President Enterprises	2.98	Tata Consultancy Services	2.93	
Cyient	2.89	MediaTek	2.34	
Brambles	2.75	Delfi	2.21	
Asustek Computer	2.70	Cyient	2.20	

**Types of shares**

Income and Accumulation.

# Stewart Investors Asia Pacific Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (0.94%*)</b>	<b>2,995</b>	<b>0.36</b>
3,023,695 Myanmar Investments International	2,995	0.36
973,315 Myanmar Investments International Warrants Expiry 21/06/2018	-	-
<b>AUSTRALIA (11.71%*)</b>	<b>59,199</b>	<b>7.13</b>
1,408,819 Bapcor	4,835	0.58
4,069,315 Brambles	22,838	2.75
2,571,992 Newcrest Mining	31,526	3.80
<b>CHINA (1.90%*)</b>	<b>15,853</b>	<b>1.91</b>
10,691,000 China Mengniu Dairy	15,853	1.91
<b>HONG KONG (16.65%*)</b>	<b>121,335</b>	<b>14.61</b>
6,922,000 Cathay Pacific Airways	8,252	0.99
8,119,677 China Resources Pharmaceutical Group	7,414	0.89
1,724,256 CK Hutchison Holdings	17,292	2.08
34,969,000 Greatview Aseptic Packaging	15,352	1.85
2,102,800 Hong Kong Aircraft Engineering	11,180	1.35
11,442,552 Hong Kong & China Gas	16,477	1.99
41,446,000 Li & Fung	11,524	1.39
15,978,000 Public Financial Holdings	5,658	0.68
30,730,000 Singamas Container Holdings	3,328	0.40
7,080,000 Vinda International Holdings	10,153	1.22
2,562,931 Vitasoy International Holdings	4,166	0.50
6,317,290 Zhongsheng Group Holdings	10,539	1.27
<b>INDIA (22.10%*)</b>	<b>203,367</b>	<b>24.49</b>
2,897,241 Cipla	19,309	2.32
3,848,615 Cyient	23,999	2.89
1,032,909 Elgi Equipments	2,895	0.35
2,989,445 Federal Bank	4,096	0.49
976,354 Great Eastern Shipping	4,593	0.55
863,014 Housing Development Finance	18,323	2.21
8,845,458 Idea Cellular	9,702	1.17
5,389,142 IDFC Bank	3,809	0.46
3,177,399 Indoco Remedies	7,544	0.91
770,131 Mahindra & Mahindra	12,861	1.55
1,237,656 Mahindra Lifespace Developers	6,190	0.74
1,818,869 S H Kelkar	5,708	0.69
1,158,264 Tata Consultancy Services	34,296	4.13
13,695,283 Tata Global Beverages	27,653	3.33
9,031,504 Tata Power	8,796	1.06
1,404,260 United Breweries	13,593	1.64
<b>INDONESIA (0.00%*)</b>	<b>14,382</b>	<b>1.73</b>
95,788,900 Bank OCBC Nisp	9,860	1.19
101,363,500 Holcim Indonesia	4,522	0.54
<b>PHILIPPINES (1.51%*)</b>	<b>8,170</b>	<b>0.98</b>
3,402,820 Universal Robina	8,170	0.98

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>SINGAPORE (12.99%*)</b>	<b>133,560</b>	<b>16.08</b>
3,101,200 Bukit Sembawang Estates	11,839	1.42
2,449,900 Dairy Farm International Holdings	15,009	1.81
16,904,700 Delfi	18,505	2.23
16,590,118 Ezion Holdings	2,235	0.27
35,367,773 Ezion Holdings Warrants Expiry 24/04/2020	715	0.09
685,400 Great Eastern Holdings	9,612	1.16
2,983,000 Haw Par	17,617	2.12
4,011,300 Hong Leong Finance	5,922	0.71
5,590,149 Oversea-Chinese Banking	35,650	4.29
22,991,389 Raffles Medical Group	16,456	1.98
<b>SOUTH KOREA (4.25%*)</b>	<b>45,427</b>	<b>5.47</b>
163,896 AMOREPACIFIC Group	13,503	1.63
279,023 Leeno Industrial	9,414	1.13
31,300 LG Household & Health Care Preference Shares	13,597	1.64
245,116 Youngone Holdings	8,913	1.07
<b>SRI LANKA (2.40%*)</b>	<b>31,966</b>	<b>3.85</b>
3,617,374 Commercial Bank of Ceylon	2,472	0.30
2,054,445 Dialog Axiata	117	0.01
15,486,461 John Keells Holdings	13,356	1.61
15,285,500 Nations Trust Bank	6,068	0.73
49,278,338 Teejay Lanka	9,953	1.20
<b>TAIWAN (15.47%*)</b>	<b>136,519</b>	<b>16.44</b>
3,168,000 Asustek Computer	22,424	2.70
2,750,000 Chroma ATE	6,627	0.80
4,205,000 MediaTek	28,225	3.40
3,085,000 Merida Industry	11,249	1.35
18,061,736 Standard Foods	36,553	4.40
16,997,000 Uni-President Enterprises	24,748	2.98
514,000 Voltronic Power Technology	6,693	0.81
<b>THAILAND (1.57%*)</b>	<b>12,909</b>	<b>1.55</b>
6,388,400 Delta Electronics Thailand	12,909	1.55
<b>Portfolio of investments</b>	<b>785,682</b>	<b>94.60</b>
<b>Net other assets</b>	<b>44,810</b>	<b>5.40</b>
<b>Total net assets</b>	<b>830,492</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

# Stewart Investors Asia Pacific Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	1,156.75	974.76	894.13
Return before operating charges*	149.29	199.91	98.74
Operating charges	(22.77)	(17.92)	(18.11)
Return after operating charges*	126.52	181.99	80.63
Distributions	(2.93)	(2.88)	(3.86)
Retained distributions on accumulation shares	2.93	2.88	3.86
Closing net asset value per share (p)	1,283.27	1,156.75	974.76
* after direct transaction costs of:	2.18	1.14	1.85
<b>Performance</b>			
Return after charges (%)	10.94%	18.67%	9.02%
<b>Other information</b>			
Closing net asset value (£'000)	131,028	137,622	187,090
Closing number of shares	10,210,491	11,897,315	19,193,517
Operating charges	1.84%	1.85%	1.84%
Direct transaction costs	0.18%	0.12%	0.19%
<b>Prices</b>			
Highest share price	1,313.05	1,168.03	1,104.16
Lowest share price	1,146.69	851.43	884.46

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	209.68	177.12	163.13
Return before operating charges*	28.12	36.74	17.85
Operating charges	(4.05)	(3.18)	(3.25)
Return after operating charges*	24.07	33.56	14.60
Distributions	(1.66)	(1.00)	(0.61)
Closing net asset value per share (p)	232.09	209.68	177.12
* after direct transaction costs of:	0.39	0.21	0.34
<b>Performance</b>			
Return after charges (%)	11.48%	18.95%	8.95%
<b>Other information</b>			
Closing net asset value (£'000)	833	740	1,167
Closing number of shares	358,814	352,634	658,935
Operating charges	1.80%	1.81%	1.81%
Direct transaction costs	0.18%	0.12%	0.19%
<b>Prices</b>			
Highest share price	238.12	212.74	201.38
Lowest share price	207.86	154.70	161.36

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	1,297.19	1,084.97	987.78
Return before operating charges*	167.84	223.92	108.89
Operating charges	(14.80)	(11.70)	(11.70)
Return after operating charges*	153.04	212.22	97.19
Distributions	(14.09)	(11.63)	(12.57)
Retained distributions on accumulation shares	14.09	11.63	12.57
Closing net asset value per share (p)	1,450.23	1,297.19	1,084.97
* after direct transaction costs of:	2.45	1.29	2.05
<b>Performance</b>			
Return after charges (%)	11.80%	19.56%	9.84%
<b>Other information</b>			
Closing net asset value (£'000)	672,918	677,506	561,922
Closing number of shares	46,400,664	52,228,673	51,791,600
Operating charges	1.06%	1.08%	1.07%
Direct transaction costs	0.18%	0.12%	0.19%
<b>Prices</b>			
Highest share price	1,482.59	1,309.65	1,226.47
Lowest share price	1,286.05	948.16	977.24

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	210.30	177.56	163.52
Return before operating charges*	27.19	36.73	17.92
Operating charges	(2.42)	(1.94)	(1.95)
Return after operating charges*	24.77	34.79	15.97
Distributions	(2.28)	(2.05)	(1.93)
Closing net asset value per share (p)	232.79	210.30	177.56
* after direct transaction costs of:	0.40	0.21	0.34
<b>Performance</b>			
Return after charges (%)	11.78%	19.59%	9.77%
<b>Other information</b>			
Closing net asset value (£'000)	25,713	23,563	19,455
Closing number of shares	11,045,589	11,204,534	10,956,892
Operating charges	1.07%	1.09%	1.08%
Direct transaction costs	0.18%	0.12%	0.19%
<b>Prices</b>			
Highest share price	239.30	213.88	202.39
Lowest share price	208.50	155.17	161.78

## Stewart Investors Asia Pacific Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		89,536		127,273
Revenue	3	18,247		16,117	
Expenses	4	(10,334)		(8,836)	
Interest payable and similar charges		(3)		(1)	
<b>Net revenue before taxation</b>		<b>7,910</b>		<b>7,280</b>	
Taxation	5	(919)		(1,447)	
<b>Net revenue after taxation</b>			<b>6,991</b>		<b>5,833</b>
<b>Total return before distributions</b>			<b>96,527</b>		<b>133,106</b>
Distributions	6		(7,686)		(6,725)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>88,841</b>		<b>126,381</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>839,431</b>		<b>769,634</b>
Amounts receivable on issue of shares	11,262		17,995	
Less: Amounts payable on cancellation of shares	(116,306)		(81,136)	
		(105,044)		(63,141)
Dilution adjustment		160		167
Change in net assets attributable to shareholders from investment activities		88,841		126,381
Retained distribution on accumulation shares		7,104		6,390
<b>Closing net assets attributable to shareholders</b>		<b>830,492</b>		<b>839,431</b>

Notes to the Financial Statements are on pages 66 to 71.

# Stewart Investors Asia Pacific Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>785,682</u>	<u>767,972</u>
<b>Current assets</b>			
Debtors	8	1,958	1,533
Cash and bank balances		<u>46,880</u>	<u>73,679</u>
<b>Total assets</b>		<u><b>834,520</b></u>	<u><b>843,184</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(144)	(177)
Other creditors	9	<u>(3,884)</u>	<u>(3,576)</u>
<b>Total liabilities</b>		<u><b>(4,028)</b></u>	<u><b>(3,753)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>830,492</b></u>	<u><b>839,431</b></u>

*Notes to the Financial Statements are on pages 66 to 71.*

## Notes to the Financial Statements

as at 31 July 2017

**1. Accounting basis and policies**

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

**2. Net capital gains**

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	89,382	123,401
Currency gains	154	3,872
Net capital gains	<u>89,536</u>	<u>127,273</u>

**3. Revenue**

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	(92)	(226)
Overseas non-taxable revenue	17,287	14,635
Property revenue from overseas REITs	-	208
Overseas scrip dividends	643	1,162
Interest from bank deposits	12	6
Initial Charge Revenue	397	332
Total revenue	<u>18,247</u>	<u>16,117</u>

**4. Expenses**

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>9,783</u>	<u>8,251</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>129</u>	<u>95</u>
<b>Other expenses:</b>		
Audit fee	11	9
Registrar fees	117	128
Safe custody charges	201	140
Other expenses	<u>93</u>	<u>213</u>
	422	490
Total expenses	<u>10,334</u>	<u>8,836</u>

as at 31 July 2017

**5. Taxation**

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	233	630
Indian capital gains tax	686	817
Total taxation (note 5b)	<u>919</u>	<u>1,447</u>

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

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:

Net revenue before taxation	7,910	7,280
Corporation tax of 20% (2016: 20%)	1,582	1,456
<b>Effects of:</b>		
Non-taxable scrip dividends*	(129)	(232)
Overseas non-taxable revenue*	(3,457)	(2,927)
Movement in excess management expenses	2,004	1,703
Irrecoverable overseas tax	233	630
Indian capital gains tax	686	817
Total tax charge for year (note 5a)	<u>919</u>	<u>1,447</u>

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £16,515,717 (31/07/16: £14,511,785); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	3,331	1,335
Final distribution	4,029	5,287
	<u>7,360</u>	<u>6,622</u>
Add: revenue deducted on cancellation of shares	354	223
Deduct: revenue received on issue of shares	(28)	(120)
Net distributions for the year	<u>7,686</u>	<u>6,725</u>

*Details of the distribution per share are set out in the Distribution Tables on pages 72 to 73.*

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 7. Movement between net revenue and net distributions

	31 July 2017	31 July 2016
	£'000	£'000
Net revenue after taxation	6,991	5,833
Movement in net income as a result of conversions	9	84
Expenses charged to capital	-	(11)
Tax relief on expenses charged to capital	-	2
Indian capital gains tax	686	817
Net distributions for the year	<u>7,686</u>	<u>6,725</u>

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	192	31
Amounts receivable for issue of shares	-	166
Accrued revenue	1,766	1,336
Total debtors	<u>1,958</u>	<u>1,533</u>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	24	1,032
Amounts payable for cancellation of shares	2,739	1,514
Accrued expenses	1,121	1,030
Total creditors	<u>3,884</u>	<u>3,576</u>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	302,236	184,622	374,184	273,056
Trades in the year before transaction costs	<u>302,236</u>	<u>184,622</u>	<u>374,184</u>	<u>273,056</u>
<b>Commissions</b>				
Equities	302	161	(362)	(204)
<b>Taxes</b>				
Equities	253	168	(609)	(320)
Total costs	<u>555</u>	<u>329</u>	<u>(971)</u>	<u>(524)</u>
<b>Total net trades in the year after transaction costs</b>	<u>302,791</u>	<u>184,951</u>	<u>373,213</u>	<u>272,532</u>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.10	0.09	0.10	0.07
<b>Taxes</b>				
Equities	0.08	0.09	0.16	0.12

as at 31 July 2017

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.08	0.05
Taxes	0.10	0.07
Total costs	0.18	0.12

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.51% (31/07/2016: 0.52%).

#### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

#### 12. Derivatives and other financial instruments

##### (a) General

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

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

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

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

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

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

#### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£78,568,231) (31/07/16: £76,797,192).

##### (b) Interest-rate risk

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

As at 31 July 2017, 5.64% (31/07/2016: 8.78%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Asia Pacific Fund would be an increase or decrease of approximately £117,200 (31/07/16: £184,183).

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	59,199	98,216
Hong Kong dollar	137,270	155,904
Indian rupee	203,969	178,787
Indonesian rupiah	14,357	-
Philippine peso	8,170	12,675
Singapore dollar	123,850	107,844
South Korean won	45,427	31,673
Sri Lankan rupee	31,966	20,114
Taiwanese dollar	136,570	131,063
Thai baht	14,273	12,187
US dollar	35,324	39,225
Total	<u>810,375</u>	<u>787,688</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.88% (£40,518,773) (31/07/2016: 4.69% (£39,384,368)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £797,214 (31/07/16: £734,880) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.31% (31/07/16: 0.54%) of the net asset value of the Fund.

**Material Shareholders**

Clearstream Banking S.A. held material shareholding in the Fund during the year to 31 July 2017, and at the year end held 10.9% of the Fund's shares in issue.

**14. Share classes**

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.75
Share class A Income (Retail):	1.75
Share class B Accumulation (Retail):	1.00
Share class B Income (Institutional):	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 60 to 63.

The distributions per share class are given in the Distribution Tables on pages 72 to 73.

All share classes have the same rights on winding up.

as at 31 July 2017

## Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	11,897,315	38,439	(1,397,851)	(327,412)	10,210,491
Share class A Income (Retail)	352,634	53,583	(38,225)	(9,178)	358,814
Share class B Accumulation (Retail)	52,228,673	768,664	(6,812,689)	216,016	46,400,664
Share class B Income (Institutional)	11,204,534	254,164	(885,182)	472,073	11,045,589

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	785,682	-	767,972	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>785,682</u>	<u>-</u>	<u>767,972</u>	<u>-</u>

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

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

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

# Stewart Investors Asia Pacific Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence per share

- Group 1 Interim - Shares purchased prior to 1 August 2016  
 Final - Shares purchased prior to 1 February 2017
- Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017  
 Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.7698	-	0.7698	-
Final	2.1588	-	2.1588	2.8820
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.7698	0.7698	-
Final	1.8563	0.3025	2.1588	2.8820

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.0107	-	1.0107	-
Final	0.6473	-	0.6473	1.0044
Group 2	(p)	(p)	(p)	(p)
Interim	0.0106	1.0001	1.0107	-
Final	0.1672	0.4801	0.6473	1.0044

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	6.1924	-	6.1924	2.5027
Final	7.8983	-	7.8983	9.1282
Group 2	(p)	(p)	(p)	(p)
Interim	1.6691	4.5233	6.1924	2.5027
Final	5.5683	2.3300	7.8983	9.1282

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.9979	-	0.9979	0.5012
Final	1.2840	-	1.2840	1.5454
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.9979	0.9979	0.5012
Final	0.5626	0.7214	1.2840	1.5454

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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.

- 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.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 9.7% in sterling terms over the year and has provided cumulative returns of 41.2% and 69.6% over three and five years respectively to 31 July 2017.

Taiwan Semiconductor Manufacturing (Information Technology) rose as improving cash generation supported higher dividend payments, and Oversea-Chinese Banking (Singapore: Financials) rebounded as stresses eased in its loans to the oil & gas sector. Kotak Mahindra Bank (Financials) gained as investors were attracted by this well-governed bank with a strong Balance Sheet and prudent lending policy.

On the negative side, Brambles (Australia: Industrials) declined due to a profit warning caused by competitive pressures in the US, and Lupin (India: Health Care) was weak on increasing concerns about profitability in the US. Li & Fung (Hong Kong: Consumer Discretionary) fell as the trading environment for the company and its customers was challenging.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Portfolio changes**

Significant purchases over the year included Expeditors (US: Industrials), one of the world's leading freight forwarding and logistic companies, and Hoya (Japan: Health Care), an optical technology manufacturer, managed by the third generation of the founding family, with a diverse and resilient culture. The Fund also bought Cipla (India: Health Care), one of India's oldest family-owned pharmaceutical companies, which has a conservative Balance Sheet and new management.

The Fund sold Infosys Technologies (India: Information Technology) because of concerns about a deterioration of corporate governance and Link REIT (Hong Kong: Real Estate) on valuation concerns. The Fund also sold Cathay Pacific Airways (Hong Kong: Industrials) because of worries about increasing competition.

**Outlook**

The Manager remains concerned about political instability in the region and across the world. The health of the Chinese economy, where debt levels are very high and have risen rapidly in a relatively short period of time, is another worry. The Manager is also concerned about rising political risk in China, but remains positive about the long-term potential for improvement at a company level in terms of corporate governance. There are still insufficient opportunities in the Asia Pacific Region at present valuations.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	3.2	6.4	9.7	41.2	69.6	185.9	527.5
Benchmark return %	7.9	13.7	25.4	44.8	72.3	124.2	382.3
Sector return %	7.2	12.0	22.3	46.6	73.7	123.4	382.2
Quartile ranking	4	4	4	3	3	1	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	9.7	17.0	10.1	5.3	14.1

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

Sector: IA Asia Pacific (ex-Japan).

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Oversea-Chinese Banking	6.67	Taiwan Semiconductor Manufacturing	6.17	
Unicharm	5.40	Brambles	6.05	
Tata Consultancy Services	4.86	CSL	5.44	
Taiwan Semiconductor Manufacturing	4.49	Oversea-Chinese Banking	5.06	
Kotak Mahindra Bank	3.88	Unicharm	3.96	
Asustek Computer	3.43	Asustek Computer	3.20	
Hong Kong & China Gas	3.37	Tata Consultancy Services	3.14	
CK Hutchison Holdings	3.10	Hong Kong & China Gas	2.98	
CSL	2.96	CK Hutchison Holdings	2.74	
Mahindra & Mahindra	2.94	Kotak Mahindra Bank	2.68	

**Types of shares**

Income and Accumulation.

# Stewart Investors Asia Pacific Leaders Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED STATES (1.03%*)</b>	<b>200,001</b>	<b>2.09</b>
1,883,380 Expeditors International of Washington	84,353	0.88
1,961,186 ResMed	115,648	1.21
<b>JAPAN (3.97%*)</b>	<b>703,022</b>	<b>7.38</b>
2,666,400 Hoya	114,304	1.20
2,545,300 Nippon Paint Holdings	74,543	0.78
26,380,200 Unicharm	514,175	5.40
<b>AUSTRALIA (12.60%*)</b>	<b>551,786</b>	<b>5.79</b>
48,001,460 Brambles	269,402	2.83
3,691,497 CSL	282,384	2.96
<b>CHINA (1.48%*)</b>	<b>153,709</b>	<b>1.61</b>
103,656,000 China Mengniu Dairy	153,709	1.61
<b>HONG KONG (14.60%*)</b>	<b>1,111,322</b>	<b>11.67</b>
30,698,600 AIA Group	184,185	1.93
10,147,800 ASM Pacific Technology	100,089	1.05
29,420,436 CK Hutchison Holdings	295,055	3.10
222,881,814 Hong Kong & China Gas	320,938	3.37
457,736,000 Li & Fung	127,268	1.34
26,755,500 Yue Yuen Industrial Holdings	83,787	0.88
<b>INDIA (27.02%*)</b>	<b>2,920,558</b>	<b>30.65</b>
22,132,075 Cipla	147,500	1.55
1,830,437 Colgate-Palmolive India	23,501	0.25
21,822,618 Dabur India	80,080	0.84
5,377,008 Dr Reddy's Laboratories	151,730	1.59
1,108,174 Dr Reddy's Laboratories ADR	31,082	0.33
15,810,506 Godrej Consumer Products	194,598	2.04
13,015,764 Housing Development Finance	276,340	2.90
116,671,993 Idea Cellular	127,977	1.34
30,435,940 Kotak Mahindra Bank	369,821	3.88
10,956,806 Lupin	134,175	1.41
16,790,782 Mahindra & Mahindra	280,405	2.94
53,225,033 Marico	210,549	2.21
15,643,444 Tata Consultancy Services	463,197	4.86
47,829,519 Tech Mahindra	218,690	2.30
61,603,466 Wipro	210,913	2.21
<b>INDONESIA (0.00%*)</b>	<b>74,574</b>	<b>0.78</b>
755,959,900 Kalbe Farma	74,574	0.78
<b>PHILIPPINES (3.31%*)</b>	<b>309,777</b>	<b>3.26</b>
12,882,900 Ayala	168,274	1.77
89,587,730 Bank of the Philippine Islands	141,503	1.49
<b>SINGAPORE (6.28%*)</b>	<b>855,313</b>	<b>8.98</b>
35,848,000 Dairy Farm International Holdings	219,611	2.31
99,682,115 Oversea-Chinese Banking	635,702	6.67
<b>SOUTH KOREA (2.29%*)</b>	<b>279,250</b>	<b>2.93</b>
1,974,013 LG	101,211	1.06
4,933,492 Shinhan Financial Group	178,039	1.87

# Stewart Investors Asia Pacific Leaders Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>TAIWAN (18.15%*)</b>	<b>1,641,457</b>	<b>17.23</b>
46,193,000 Asustek Computer	326,965	3.43
66,269,622 Delta Electronics	267,563	2.81
432,763,911 E.Sun Financial Holding	210,219	2.21
23,849,000 Giant Manufacturing	89,068	0.93
22,557,000 MediaTek	151,410	1.59
26,099,208 President Chain Store	168,601	1.77
79,188,807 Taiwan Semiconductor Manufacturing	427,631	4.49
<b>Portfolio of investments</b>	<b>8,800,769</b>	<b>92.37</b>
<b>Net other assets</b>	<b>726,565</b>	<b>7.63</b>
<b>Total net assets</b>	<b>9,527,334</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as ADRs represent American Depositary Receipts.

# Stewart Investors Asia Pacific Leaders Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	571.45	488.49	443.94
Return before operating charges*	64.83	90.41	52.10
Operating charges	(9.28)	(7.45)	(7.55)
Return after operating charges*	55.55	82.96	44.55
Distributions	(1.80)	(3.26)	1.26
Retained distributions on accumulation shares	1.80	3.26	(1.26)
Closing net asset value per share (p)	627.00	571.45	488.49
* after direct transaction costs of:	0.36	0.31	0.68
<b>Performance</b>			
Return after charges (%)	9.72%	16.98%	10.04%
<b>Other information</b>			
Closing net asset value (£'000)	952,236	1,094,801	1,430,800
Closing number of shares	151,871,481	191,583,486	292,903,909
Operating charges	1.55%	1.54%	1.55%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	638.80	576.08	551.03
Lowest share price	552.44	430.34	437.27

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	197.27	169.62	154.55
Return before operating charges*	22.38	31.34	18.14
Operating charges	(3.34)	(2.69)	(2.73)
Return after operating charges*	19.04	28.65	15.41
Distributions	(0.51)	(1.00)	(0.34)
Closing net asset value per share (p)	215.80	197.27	169.62
* after direct transaction costs of:	0.12	0.11	0.24
<b>Performance</b>			
Return after charges (%)	9.65%	16.89%	9.97%
<b>Other information</b>			
Closing net asset value (£'000)	17,769	17,429	27,737
Closing number of shares	8,234,156	8,835,101	16,352,568
Operating charges	1.61%	1.61%	1.61%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	220.40	199.81	191.76
Lowest share price	190.67	149.42	152.22

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	615.79	522.95	472.16
Return before operating charges*	70.13	97.47	55.49
Operating charges	(5.78)	(4.63)	(4.70)
Return after operating charges*	64.35	92.84	50.79
Distributions	(6.29)	(6.94)	(4.96)
Retained distributions on accumulation shares	6.29	6.94	4.96
Closing net asset value per share (p)	680.14	615.79	522.95
* after direct transaction costs of:	0.39	0.34	0.73
<b>Performance</b>			
Return after charges (%)	10.45%	17.75%	10.76%
<b>Other information</b>			
Closing net asset value (£'000)	6,382,297	6,164,056	4,668,235
Closing number of shares	938,383,441	1,001,003,678	892,673,897
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	692.42	620.75	588.75
Lowest share price	596.69	460.89	465.12

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	198.21	170.38	155.28
Return before operating charges*	22.53	31.59	18.26
Operating charges	(1.89)	(1.54)	(1.56)
Return after operating charges*	20.64	30.05	16.70
Distributions	(1.98)	(2.22)	(1.60)
Closing net asset value per share (p)	216.87	198.21	170.38
* after direct transaction costs of:	0.12	0.11	0.24
<b>Performance</b>			
Return after charges (%)	10.41%	17.64%	10.75%
<b>Other information</b>			
Closing net asset value (£'000)	1,084,352	982,221	739,934
Closing number of shares	499,999,814	495,535,979	434,294,368
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	222.25	201.40	193.32
Lowest share price	192.06	150.16	152.97

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	214.69	219.54	177.36
Return before operating charges*	10.90	(1.72)	45.37
Operating charges	(3.41)	(3.13)	(3.19)
Return after operating charges*	7.49	(4.85)	42.18
Distributions	(0.63)	(1.24)	(0.66)
Retained distributions on accumulation shares	0.63	1.24	0.66
Closing net asset value per share (c)	222.18	214.69	219.54
* after direct transaction costs of:	0.13	0.13	0.29
<b>Performance</b>			
Return after charges (%)	3.49%	(2.21)%	23.78%
<b>Other information</b>			
Closing net asset value (€'000)	198,132	255,108	364,766
Closing number of shares	89,178,178	118,828,488	166,151,750
Operating charges	1.55%	1.55%	1.55%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	233.60	221.11	242.08
Lowest share price	208.25	181.21	173.81

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	198.87	204.58	165.84
Return before operating charges*	10.11	(1.60)	42.45
Operating charges	(3.24)	(3.03)	(3.09)
Return after operating charges*	6.87	(4.63)	39.36
Distributions	(0.55)	(1.08)	(0.62)
Closing net asset value per share (c)	205.19	198.87	204.58
* after direct transaction costs of:	0.12	0.12	0.27
<b>Performance</b>			
Return after charges (%)	3.45%	(2.26)%	23.73%
<b>Other information</b>			
Closing net asset value (€'000)	31,266	26,190	25,684
Closing number of shares	15,237,117	13,169,388	12,555,171
Operating charges	1.58%	1.60%	1.60%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	216.34	206.03	226.29
Lowest share price	192.88	168.73	162.52

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	197.20	200.31	160.76
Return before operating charges*	10.04	(1.47)	41.22
Operating charges	(1.80)	(1.64)	(1.67)
Return after operating charges*	8.24	(3.11)	39.55
Distributions	(1.92)	(2.30)	1.88
Retained distributions on accumulation shares	1.92	2.30	(1.88)
Closing net asset value per share (c)	205.44	197.20	200.31
* after direct transaction costs of:	0.12	0.12	0.26
<b>Performance</b>			
Return after charges (%)	4.18%	(1.55)%	24.60%
<b>Other information</b>			
Closing net asset value (€'000)	960,808	1,200,186	1,316,921
Closing number of shares	467,681,277	608,629,382	657,424,854
Operating charges	0.89%	0.88%	0.89%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	215.69	201.76	220.45
Lowest share price	191.72	165.94	157.57

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	144.58	148.66	120.44
Return before operating charges*	7.35	(1.18)	30.92
Operating charges	(1.31)	(1.19)	(1.29)
Return after operating charges*	6.04	(2.37)	29.63
Distributions	(1.42)	(1.71)	(1.41)
Closing net asset value per share (c)	149.20	144.58	148.66
* after direct transaction costs of:	0.09	0.09	0.20
<b>Performance</b>			
Return after charges (%)	4.18%	(1.59)%	24.60%
<b>Other information</b>			
Closing net asset value (€'000)	29,830	18,014	24,576
Closing number of shares	19,993,210	12,460,278	16,532,526
Operating charges	0.88%	0.87%	0.90%
Direct transaction costs	0.06%	0.06%	0.14%
<b>Prices</b>			
Highest share price	157.69	149.73	164.88
Lowest share price	140.56	122.64	118.04

## Stewart Investors Asia Pacific Leaders Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		857,454		1,310,750
Revenue	3	183,771		179,707	
Expenses	4	(94,540)		(80,427)	
Interest payable and similar charges		(60)		(99)	
<b>Net revenue before taxation</b>		<b>89,171</b>		<b>99,181</b>	
Taxation	5	(5,857)		(1,206)	
<b>Net revenue after taxation</b>			<b>83,314</b>		<b>97,975</b>
<b>Total return before distributions</b>			<b>940,768</b>		<b>1,408,725</b>
Distributions	6		(83,341)		(98,489)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>857,427</b>		<b>1,310,236</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>9,522,918</b>		<b>8,087,582</b>
Amounts receivable on issue of shares	455,272		865,195	
Less: Amounts payable on cancellation of shares	(1,379,267)		(827,913)	
		(923,995)		37,282
Change in net assets attributable to shareholders from investment activities		857,427		1,310,236
Retained distribution on accumulation shares		70,984		87,818
<b>Closing net assets attributable to shareholders</b>		<b>9,527,334</b>		<b>9,522,918</b>

*Notes to the Financial Statements are on pages 88 to 93.*

# Stewart Investors Asia Pacific Leaders Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>8,800,769</u>	<u>8,640,038</u>
<b>Current assets</b>			
Debtors	8	19,967	101,794
Cash and bank balances		<u>730,269</u>	<u>829,165</u>
<b>Total assets</b>		<u><b>9,551,005</b></u>	<u><b>9,570,997</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(7,466)	(8,129)
Other creditors	9	<u>(16,205)</u>	<u>(39,950)</u>
<b>Total liabilities</b>		<u><b>(23,671)</b></u>	<u><b>(48,079)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>9,527,334</b></u></u>	<u><u><b>9,522,918</b></u></u>

*Notes to the Financial Statements are on pages 88 to 93.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	856,266	1,259,022
Forward foreign exchange currency contracts	22	311
Currency gains	1,166	51,417
Net capital gains	<u>857,454</u>	<u>1,310,750</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	1,033	(2,037)
Overseas non-taxable revenue	178,139	159,947
Property revenue from overseas REITs	175	4,215
Overseas scrip dividends	4,265	17,167
Interest from bank deposits	159	216
Interest from government and fixed-interest securities	-	199
Total revenue	<u>183,771</u>	<u>179,707</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>90,262</u>	<u>76,896</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>899</u>	<u>675</u>
<b>Other expenses:</b>		
Audit fee	13	11
Registrar fees	1,121	1,110
Safe custody charges	1,899	1,310
Other expenses	<u>346</u>	<u>425</u>
	<u>3,379</u>	<u>2,856</u>
Total expenses	<u>94,540</u>	<u>80,427</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	5,857	1,189
Indian capital gains tax	-	17
Total taxation (note 5b)	<u>5,857</u>	<u>1,206</u>

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

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:

Net revenue before taxation	89,171	99,181
Corporation tax of 20% (2016: 20%)	17,834	19,836
<b>Effects of:</b>		
Non-taxable scrip dividends*	(853)	(3,433)
Overseas non-taxable revenue*	(35,628)	(31,990)
Movement in excess management expenses	18,647	15,587
Irrecoverable overseas tax	5,857	1,189
Indian capital gains tax	-	17
Total tax charge for year (note 5a)	<u>5,857</u>	<u>1,206</u>

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £116,098,121 (31/07/16: £97,451,265); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	22,616	27,099
Final distribution	58,900	72,038
	81,516	99,137
Add: revenue deducted on cancellation of shares	2,970	2,333
Deduct: revenue received on issue of shares	(1,145)	(2,981)
Net distributions for the year	<u>83,341</u>	<u>98,489</u>

*Details of the distribution per share are set out in the Distribution Tables on pages 94 to 96.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	83,314	97,975
Movement in net income as a result of conversions	26	505
Undistributed revenue	1	-
Expenses charged to capital	-	(10)
Tax relief on expenses charged to capital	-	2
Indian capital gains tax	-	17
Net distributions for the year	<u>83,341</u>	<u>98,489</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	55,560
Amounts receivable for issue of shares	1,102	21,799
Accrued revenue	18,865	24,435
<b>Total debtors</b>	<b>19,967</b>	<b>101,794</b>

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	-	23,287
Amounts payable for cancellation of shares	7,269	8,946
Accrued expenses	8,936	7,717
<b>Total creditors</b>	<b>16,205</b>	<b>39,950</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	1,290,179	1,907,510	1,988,654	1,836,794
Bonds	-	614,168	-	635,741
<b>Trades in the year before transaction costs</b>	<b>1,290,179</b>	<b>2,521,678</b>	<b>1,988,654</b>	<b>2,472,535</b>
<b>Commissions</b>				
Equities	1,097	1,515	(1,422)	(1,202)
Bonds	-	-	-	-
<b>Total commissions</b>	<b>1,097</b>	<b>1,515</b>	<b>(1,422)</b>	<b>(1,202)</b>
<b>Taxes</b>				
Equities	958	1,314	(2,245)	(1,153)
Bonds	-	-	-	-
<b>Total taxes</b>	<b>958</b>	<b>1,314</b>	<b>(2,245)</b>	<b>(1,153)</b>
<b>Total costs</b>	<b>2,055</b>	<b>2,829</b>	<b>(3,667)</b>	<b>(2,355)</b>
<b>Total net trades in the year after transaction costs</b>	<b>1,292,234</b>	<b>2,524,507</b>	<b>1,984,987</b>	<b>2,470,180</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.09	0.08	0.07	0.07
Bonds	-	-	-	-
<b>Taxes</b>				
Equities	0.07	0.07	0.11	0.06
Bonds	-	-	-	-

## Notes to the Financial Statements

(continued)

as at 31 July 2017

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.03	0.03
Taxes	0.03	0.03
Total costs	0.06	0.06

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.16% (31/07/2016: 0.24%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£880,076,868) (31/07/16: £864,003,813).

*(b) Interest-rate risk*

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

As at 31 July 2017, 7.66% (31/07/2016: 8.71%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Asia Pacific Leaders Fund would be an increase or decrease of approximately £1,825,672 (31/07/16: £2,072,799).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	551,786	1,256,610
Euro	6,140	1,397
Hong Kong dollar	1,265,031	1,531,913
Indian rupee	2,900,146	2,401,783
Indonesian rupiah	86,433	-
Japanese yen	704,810	359,241
Philippine peso	309,777	314,565
Singapore dollar	635,702	492,919
South Korean won	279,250	218,438
Taiwanese dollar	1,646,640	1,745,927
US dollar	697,616	655,751
Total	<u>9,083,331</u>	<u>8,978,544</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.77% (£454,166,530) (31/07/16: 4.71% (£448,927,206)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £7,526,694 (31/07/16: £7,026,283) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.02% (31/07/16: 0.02%) of the net asset value of the Fund.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.12% (31/07/16: 0.30%) of the net asset value of the Fund.

**Material Shareholders**

Clearstream Banking S.A. held material shareholding in the Fund during the year to 31 July 2017, and at the year end held 10% of the Fund's shares in issue.

as at 31 July 2017

**14. Share classes**

The Fund has eight share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.50
Share class A Income (Retail):	1.50
Share class B Accumulation (Retail):	0.85
Share class B Income (Institutional):	0.85
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class A Income (EUR share class) (Retail):	1.50
Share class B Accumulation (EUR share class) (Institutional):	0.85
Share class B Income (EUR share class) (Institutional):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 78 to 85.

The distributions per share class are given in the Distribution Tables on pages 94 to 96.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	191,583,486	1,659,018	(38,845,351)	(2,525,672)	151,871,481
Share class A Income (Retail)	8,835,101	1,020,718	(1,306,974)	(314,689)	8,234,156
Share class B Accumulation (Retail)	1,001,003,678	21,128,458	(71,794,288)	(11,954,407)	938,383,441
Share class B Income (Institutional):	495,535,979	44,326,284	(84,581,630)	44,719,181	499,999,814
Share class A Accumulation (EUR share class) (Retail)	118,828,488	11,560,926	(41,180,049)	(31,187)	89,178,178
Share class A Income (EUR share class) (Retail)	13,169,388	4,150,169	(2,082,440)	-	15,237,117
Share class B Accumulation (EUR share class) (Institutional)	608,629,382	96,847,650	(235,895,903)	(1,899,852)	467,681,277
Share class B Income (EUR share class) (Institutional)	12,460,278	13,039,521	(8,144,057)	2,637,468	19,993,210

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	8,800,769	-	8,640,038	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>8,800,769</u>	<u>-</u>	<u>8,640,038</u>	<u>-</u>

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

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

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

# Stewart Investors Asia Pacific Leaders Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	0.3586
Final	1.7995	-	1.7995	2.8966
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	0.3586
Final	1.6052	0.1943	1.7995	2.8966

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	0.0681
Final	0.5064	-	0.5064	0.9364
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	0.0681
Final	0.4762	0.0302	0.5064	0.9364

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.7616	-	1.7616	2.0255
Final	4.5265	-	4.5265	4.9123
Group 2	(p)	(p)	(p)	(p)
Interim	-	1.7616	1.7616	2.0255
Final	3.4381	1.0884	4.5265	4.9123

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.5507	-	0.5507	0.6446
Final	1.4337	-	1.4337	1.5768
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.5507	0.5507	0.6446
Final	1.0859	0.3478	1.4337	1.5768

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	0.1461
Final	0.6268	-	0.6268	1.0925
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	0.1461
Final	0.5829	0.0439	0.6268	1.0925

## Share class A Income (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	0.0899
Final	0.5537	-	0.5537	0.9869
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	0.0899
Final	0.5234	0.0303	0.5537	0.9869

## Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.5544	-	0.5544	0.7199
Final	1.3691	-	1.3691	1.5767
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.5544	0.5544	0.7199
Final	0.9352	0.4339	1.3691	1.5767

## Share class B Income (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.4148	-	0.4148	0.5458
Final	1.0071	-	1.0071	1.1678
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.4148	0.4148	0.5458
Final	0.8562	0.1509	1.0071	1.1678

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

- Clarification point 1: 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;

- 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).

- Clarification point 2: "Australasia" refers to Australia, New Zealand and other South-East Asian countries.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 10.6% in sterling terms over the year and provided cumulative returns of 47.3% and 96.0% over three and five years respectively to 31 July 2017.

Marico (India: Consumer Staples) gained on the back of both strong operational performance and the market becoming more optimistic about the prospects of Indian consumer companies. Kotak Mahindra Bank (India: Financials) rose as investors were attracted to this well-governed bank with a strong Balance Sheet and prudent lending policy. Taiwan Semiconductor Manufacturing (Information Technology) climbed on improving cash generation.

Tech Mahindra (India: Information Technology) declined on subdued profit growth, although the long-term outlook for the company remains positive, and Dr Reddy's Laboratories (India: Health Care) was weak on regulatory risk alongside concerns about the backdrop for generic drugs. Brambles (Australia: Industrials) declined due to competitive pressures in the US.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

## Portfolio changes

Significant new positions over the year included Cyient (India: Information Technology), an engineering design services company operating across a range of industries, including rail transportation, power generation, communications, utilities and medical technology. The Fund also bought Mahindra & Mahindra (India: Consumer Discretionary), the holding company of one of the most respected and highest quality family groups in India, and Tata Consultancy Services (India: Information Technology), a strong IT franchise with good quality stewards that was reasonably valued. The Fund sold Infosys (India: Information Technology) on worries about cultural drift at the company and Towngas China (Utilities) on concerns about the long-term risk of alignment with the Chinese government. The Fund also sold Airtac International (Taiwan: Industrials) because it was expensively valued.

## Outlook

The Manager remains cautious about the outlook for companies across the Asia Pacific Region. Quality companies remain expensive in terms of valuation, although there are a few more ideas to investigate following research trips. The Manager remains focused on investing in companies that should benefit from and contribute to the sustainable development of the region over the long term.

## Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.1	6.2	10.6	47.3	96.0	234.2	378.1
Benchmark return %	7.9	13.7	25.4	44.8	72.3	124.2	222.7
Sector return %	7.2	12.0	22.3	46.6	73.7	123.4	239.4
Quartile ranking	4	4	4	2	1	1	1

## Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	10.6	20.1	10.8	8.9	22.2

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

Sector: IA Asia Pacific (ex-Japan).

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

## Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Vitasoy International Holdings	6.74	Vitasoy International Holdings	6.92	
Marico	4.83	Marico	6.18	
Tech Mahindra	4.30	Tech Mahindra	5.66	
Standard Foods	4.19	Taiwan Semiconductor Manufacturing	3.99	
Kotak Mahindra Bank	4.04	Standard Foods	3.54	
Housing Development Finance	3.66	Kotak Mahindra Bank	3.33	
Taiwan Semiconductor Manufacturing	3.58	Chroma ATE	3.24	
Manila Water	2.72	Infosys	3.16	
CSL	2.71	Manila Water	3.15	
E.Sun Financial Holding	2.67	Housing Development Finance	3.11	

## Types of shares

Accumulation.

# Stewart Investors Asia Pacific Sustainability Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED STATES (0.99%*)</b>	<b>4,414</b>	<b>1.00</b>
98,558 Expeditors International of Washington	4,414	1.00
<b>JAPAN (1.19%*)</b>	<b>10,482</b>	<b>2.38</b>
537,800 Unicharm	10,482	2.38
<b>AUSTRALIA (6.11%*)</b>	<b>22,357</b>	<b>5.08</b>
1,341,744 Brambles	7,530	1.71
155,953 CSL	11,930	2.71
493,668 ResMed CDI	2,897	0.66
<b>BANGLADESH (0.79%*)</b>	<b>8,188</b>	<b>1.85</b>
6,081,171 BRAC Bank	4,999	1.13
1,204,164 Square Pharmaceuticals	3,189	0.72
<b>CHINA (1.60%*)</b>	<b>4,985</b>	<b>1.13</b>
3,362,000 China Mengniu Dairy	4,985	1.13
<b>HONG KONG (8.99%*)</b>	<b>29,697</b>	<b>6.74</b>
18,271,559 Vitasoy International Holdings	29,697	6.74
<b>INDIA (35.09%*)</b>	<b>147,730</b>	<b>33.56</b>
1,223,106 Cipla	8,151	1.85
1,255,008 Cyient	7,826	1.78
2,003,039 Dabur India	7,350	1.67
325,587 Dr Reddy's Laboratories	9,187	2.09
375,104 Godrej Consumer Products	4,617	1.05
758,216 Housing Development Finance	16,098	3.66
6,411,488 Idea Cellular	7,033	1.60
300,030 Info Edge India	3,542	0.80
1,463,876 Kotak Mahindra Bank	17,787	4.04
160,510 Lupin	1,966	0.45
265,346 Mahindra & Mahindra	4,431	1.01
519,372 Mahindra Lifespace Developers	2,597	0.59
5,379,534 Marico	21,281	4.83
1,106,413 S H Kelkar	3,472	0.79
366,779 Tata Chemicals	2,697	0.61
146,323 Tata Consultancy Services	4,333	0.98
4,144,466 Tech Mahindra	18,950	4.30
698,325 Tube Investments of India	6,412	1.46
<b>INDONESIA (2.16%*)</b>	<b>11,223</b>	<b>2.54</b>
27,863,100 Kalbe Farma	2,749	0.62
95,589,800 Selamat Sempurna	6,122	1.39
12,275,150 XL Axiata	2,352	0.53
<b>MALAYSIA (1.47%*)</b>	<b>5,523</b>	<b>1.25</b>
1,530,360 Public Bank	5,523	1.25
<b>PHILIPPINES (8.20%*)</b>	<b>33,786</b>	<b>7.67</b>
819,480 Ayala	10,704	2.43
4,966,894 Bank of the Philippine Islands	7,845	1.78
24,767,891 Manila Water	11,968	2.72
2,501,260 Robinsons Retail Holdings	3,269	0.74

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>SINGAPORE (2.42%*)</b>	<b>10,156</b>	<b>2.31</b>
806,818 Oversea-Chinese Banking	5,145	1.17
9,496,000 Sheng Siong Group	5,011	1.14
<b>SOUTH KOREA (1.51%*)</b>	<b>9,752</b>	<b>2.22</b>
846,490 DGB Financial Group	6,859	1.56
66,487 Koh Young Technology	2,893	0.66
<b>SRI LANKA (2.40%*)</b>	<b>14,130</b>	<b>3.20</b>
6,327,219 Commercial Bank of Ceylon	4,323	0.98
47,270,000 Dialog Axiata	2,698	0.61
9,745,440 Hemas Holdings	7,109	1.61
<b>TAIWAN (18.78%*)</b>	<b>72,272</b>	<b>16.42</b>
4,497,301 Chroma ATE	10,838	2.46
2,004,580 Delta Electronics	8,093	1.84
24,201,582 E.Sun Financial Holding	11,756	2.67
835,000 Giant Manufacturing	3,118	0.71
796,835 PChome Online	4,263	0.97
9,108,874 Standard Foods	18,435	4.19
2,920,124 Taiwan Semiconductor Manufacturing	15,769	3.58
<b>THAILAND (3.68%*)</b>	<b>13,986</b>	<b>3.17</b>
4,212,800 Delta Electronics Thailand	8,513	1.93
1,207,100 Kasikornbank	5,473	1.24
<b>Portfolio of investments</b>	<b>398,681</b>	<b>90.52</b>
<b>Net other assets</b>	<b>41,752</b>	<b>9.48</b>
<b>Total net assets</b>	<b>440,433</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as CDIs represent Chess Depository Interests.

# Stewart Investors Asia Pacific Sustainability Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	431.57	358.87	324.03
Return before operating charges*	53.70	78.82	40.98
Operating charges	(7.63)	(6.12)	(6.14)
Return after operating charges*	46.07	72.70	34.84
Distributions	(0.76)	(1.29)	1.39
Retained distributions on accumulation shares	0.76	1.29	(1.39)
Closing net asset value per share (p)	477.64	431.57	358.87
* after direct transaction costs of:	0.31	0.25	0.66
<b>Performance</b>			
Return after charges (%)	10.67%	20.26%	10.75%
<b>Other information</b>			
Closing net asset value (£'000)	48,938	47,265	61,452
Closing number of shares	10,245,952	10,951,666	17,123,949
Operating charges	1.66%	1.70%	1.69%
Direct transaction costs	0.07%	0.07%	0.18%
<b>Prices</b>			
Highest share price	487.36	436.43	407.11
Lowest share price	427.26	316.28	322.49

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	459.45	379.98	341.43
Return before operating charges*	56.86	83.40	42.43
Operating charges	(4.83)	(3.93)	(3.88)
Return after operating charges*	52.03	79.47	38.55
Distributions	(3.69)	(3.48)	(3.34)
Retained distributions on accumulation shares	3.69	3.48	3.34
Closing net asset value per share (p)	511.48	459.45	379.98
* after direct transaction costs of:	0.34	0.26	0.70
<b>Performance</b>			
Return after charges (%)	11.32%	20.91%	11.29%
<b>Other information</b>			
Closing net asset value (£'000)	335,059	283,809	222,926
Closing number of shares	65,508,351	61,771,686	58,667,240
Operating charges	0.98%	1.02%	1.01%
Direct transaction costs	0.07%	0.07%	0.18%
<b>Prices</b>			
Highest share price	521.49	464.55	430.73
Lowest share price	455.65	335.03	339.81

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	270.26	267.08	212.18
Return before operating charges*	17.35	7.43	59.21
Operating charges	(4.65)	(4.25)	(4.31)
Return after operating charges*	12.70	3.18	54.90
Distributions	(1.26)	(2.34)	(3.82)
Retained distributions on accumulation shares	1.26	2.34	3.82
Closing net asset value per share (c)	282.96	270.26	267.08
* after direct transaction costs of:	0.19	0.17	0.46
<b>Performance</b>			
Return after charges (%)	4.70%	1.19%	25.87%
<b>Other information</b>			
Closing net asset value (€'000)	24,218	20,380	25,372
Closing number of shares	8,558,703	7,541,201	9,499,627
Operating charges	1.65%	1.69%	1.70%
Direct transaction costs	0.07%	0.07%	0.18%
<b>Prices</b>			
Highest share price	297.89	275.00	294.90
Lowest share price	267.95	226.98	210.46

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	207.55	205.39	163.96
Return before operating charges*	12.44	4.08	43.37
Operating charges	(2.09)	(1.92)	(1.94)
Return after operating charges*	10.35	2.16	41.43
Distributions	(1.55)	(1.56)	(1.86)
Retained distributions on accumulation shares	1.55	1.56	1.86
Closing net asset value per share (c)	217.90	207.55	205.39
* after direct transaction costs of:	0.15	0.13	0.35
<b>Performance</b>			
Return after charges (%)	4.99%	1.05%	25.27%
<b>Other information</b>			
Closing net asset value (€'000)	38,911	37,090	40,585
Closing number of shares	17,857,489	17,870,666	19,760,767
Operating charges	0.97%	1.00%	1.00%
Direct transaction costs	0.07%	0.07%	0.18%
<b>Prices</b>			
Highest share price	229.05	211.16	227.63
Lowest share price	205.82	174.59	162.63

## Stewart Investors Asia Pacific Sustainability Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		40,067		62,361
Revenue	3	7,787		6,833	
Expenses	4	(4,516)		(3,716)	
Interest payable and similar charges		(14)		(2)	
<b>Net revenue before taxation</b>		<b>3,257</b>		<b>3,115</b>	
Taxation	5	(498)		(447)	
<b>Net revenue after taxation</b>			<b>2,759</b>		<b>2,668</b>
<b>Total return before distributions</b>			<b>42,826</b>		<b>65,029</b>
Distributions	6		(2,761)		(2,691)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>40,065</b>		<b>62,338</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>379,534</b>		<b>330,873</b>
Amounts receivable on issue of shares	43,784		13,790	
Less: Amounts payable on cancellation of shares	(25,804)		(30,152)	
		17,980		(16,362)
Dilution adjustment		63		18
Change in net assets attributable to shareholders from investment activities		40,065		62,338
Retained distribution on accumulation shares		2,791		2,667
<b>Closing net assets attributable to shareholders</b>		<b>440,433</b>		<b>379,534</b>

Notes to the Financial Statements are on pages 107 to 112.

# Stewart Investors Asia Pacific Sustainability Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>398,681</u>	<u>362,003</u>
<b>Current assets</b>			
Debtors	8	1,364	3,845
Cash and bank balances		<u>41,210</u>	<u>15,289</u>
<b>Total assets</b>		<u><b>441,255</b></u>	<u><b>381,137</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(822)</u>	<u>(1,603)</u>
<b>Total liabilities</b>		<u><b>(822)</b></u>	<u><b>(1,603)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>440,433</b></u>	<u><b>379,534</b></u>

*Notes to the Financial Statements are on pages 107 to 112.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	40,378	61,976
Forward foreign exchange currency contracts	(1)	17
Currency (losses)/gains	(310)	368
Net capital gains	<u>40,067</u>	<u>62,361</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	29	3
Overseas non-taxable revenue	7,234	6,215
Overseas scrip dividends	119	194
Interest from bank deposits	7	3
Initial Charge Revenue	398	418
Total revenue	<u>7,787</u>	<u>6,833</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>4,176</u>	<u>3,330</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>62</u>	<u>45</u>
<b>Other expenses:</b>		
Audit fee	9	7
Registrar fees	95	100
Safe custody charges	123	101
Other expenses	51	133
	<u>278</u>	<u>341</u>
Total expenses	<u>4,516</u>	<u>3,716</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	498	447
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	3,257	3,115
Corporation tax of 20% (2016: 20%)	651	623
<b>Effects of:</b>		
Non-taxable scrip dividends*	(24)	(39)
Overseas non-taxable revenue*	(1,447)	(1,243)
Movement in excess management expenses	820	659
Irrecoverable overseas tax	498	447
Total tax charge for year (note 5a)	498	447

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,351,119 (31/07/16: £3,531,853); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	738	502
Final distribution	2,053	2,166
	2,791	2,668
Add: revenue deducted on cancellation of shares	46	51
Deduct: revenue received on issue of shares	(76)	(28)
Net distributions for the year	2,761	2,691

*Details of the distribution per share are set out in the Distribution Tables on pages 113 to 114.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	2,759	2,668
Movement in net income as a result of conversions	2	23
Net distributions for the year	2,761	2,691

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	2,611
Amounts receivable for issue of shares	224	375
Accrued revenue	1,140	859
<b>Total debtors</b>	<b>1,364</b>	<b>3,845</b>

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	1	795
Amounts payable for cancellation of shares	266	353
Accrued expenses	555	455
<b>Total creditors</b>	<b>822</b>	<b>1,603</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	54,359	42,229	58,178	52,508
Trades in the year before transaction costs	54,359	42,229	58,178	52,508
<b>Commissions</b>				
Equities	74	52	(55)	(47)
<b>Taxes</b>				
Equities	47	38	(105)	(86)
<b>Total costs</b>	<b>121</b>	<b>90</b>	<b>(160)</b>	<b>(133)</b>
<b>Total net trades in the year after transaction costs</b>	<b>54,480</b>	<b>42,319</b>	<b>58,018</b>	<b>52,375</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.14	0.12	0.09	0.09
<b>Taxes</b>				
Equities	0.09	0.09	0.18	0.16

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.03	0.03
Taxes	0.04	0.04
<b>Total costs</b>	<b>0.07</b>	<b>0.07</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.25% (31/07/2016: 0.28%).

as at 31 July 2017

## 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

## 12. Derivatives and other financial instruments

### (a) General

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

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

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

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

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

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

### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£39,868,109) (31/07/16: £36,200,326).

### (b) Interest-rate risk

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

As at 31 July 2017, 9.36% (31/07/16: 4.03%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Asia Pacific Sustainability Fund would be an increase or decrease of approximately £103,026 (31/07/16: £38,218\*).

\*The comparative figures for 2016 have been restated to correct prior year disclosure.

### (c) Analysis of the Fund's currency exposure

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

## Notes to the Financial Statements

(continued)

as at 31 July 2017

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	22,357	24,344
Bangladeshi taka	8,188	3,014
Euro	758	42
Hong Kong dollar	34,682	40,354
Indian rupee	148,406	135,654
Indonesian rupiah	11,223	8,190
Japanese yen	10,512	3,784
Korean won	9,752	5,749
Malaysian ringgit	5,523	5,557
Philippine peso	33,805	31,117
Singapore dollar	10,156	9,154
Sri Lankan rupee	14,130	9,126
Taiwanese dollar	72,693	71,557
Thai baht	13,986	13,974
US dollar	16,833	4,666
Total	<u>413,004</u>	<u>366,282</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.69% (£20,650,172) (31/07/16: 4.83% (£18,314,107)).

### 13. Related parties

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £377,052 (31/07/16: £301,467) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.11% (31/07/16: 0.27%) of the net asset value of the Fund.

#### Material Shareholders

Telia Pensionsstiftelse and Clearstream Banking S.A. held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 33.3% and 13.2% of the Fund's shares in issue respectively.

### 14. Share classes

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.55
Share class B Accumulation (Retail):	0.90
Share class A Accumulation (EUR share class) (Retail):	1.55
Share class B Accumulation (EUR share class) (Institutional):	0.90

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 101 to 104.

The distributions per share class are given in the Distribution Tables on pages 113 to 114.

All share classes have the same rights on winding up.

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	10,951,666	1,280,367	(1,146,815)	(839,266)	10,245,952
Share class B Accumulation (Retail)	61,771,686	6,053,042	(3,104,059)	787,682	65,508,351
Share class A Accumulation (EUR share class) (Retail)	7,541,201	2,067,311	(1,049,809)	-	8,558,703
Share class B Accumulation (EUR share class) (Institutional)	17,870,666	1,446,962	(1,460,139)	-	17,857,489

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	398,681	-	362,003	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>398,681</u>	<u>-</u>	<u>362,003</u>	<u>-</u>

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

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

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

# Stewart Investors Asia Pacific Sustainability Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

- Group 1 Interim - Shares purchased prior to 1 August 2016  
 Final - Shares purchased prior to 1 February 2017
- Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017  
 Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.7643	-	0.7643	1.2854
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.7176	0.0467	0.7643	1.2854

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.0504	-	1.0504	0.7204
Final	2.6353	-	2.6353	2.7569
Group 2	(p)	(p)	(p)	(p)
Interim	-	1.0504	1.0504	0.7204
Final	1.7419	0.8934	2.6353	2.7569

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.3329	-	0.3329	0.2572
Final	0.9277	-	0.9277	2.0863
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.3329	0.3329	0.2572
Final	0.6201	0.3076	0.9277	2.0863

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.4382	-	0.4382	0.3072
Final	1.1130	-	1.1130	1.2496
Group 2	(c)	(c)	(c)	(c)
Interim	0.0023	0.4359	0.4382	0.3072
Final	0.8115	0.3015	1.1130	1.2496

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# First State Greater China Growth Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 26.0% in sterling terms over the year and has provided cumulative returns of 49.3% and 90.8% over three and five years respectively to 31 July 2017.

Key contributors to performance over the year included Tencent Holdings, which rose to record highs as the firm announced strong net profits growth-driven by a surge in mobile payments and cloud services. Gree Electric Appliances 'A' outperformed, as a recovery in China's residential air-conditioner sales took hold. Generally, hot weather in China and low channel inventories contributed to robust sales growth in the sector.

On the negative side, Tong Ren Tang Technology 'H' continued to weaken from its slowdown in profits growth announced earlier in the year. The company has a long history and a strong brand, but has struggled to achieve much growth. Giant Manufacturing, the Taiwanese bicycle manufacturer, has struggled with weak demand in the US and Europe and declining sales volumes in China.

### Portfolio changes

Significant new purchases over the year included Midea Group, a home appliances manufacturer in China, which has decent growth prospects and had been increasing its market share. China Resources Phoenix Health, an asset-light hospital operator, now part-owned by the China Resources Group, was another new addition. The new hospital management team should be a positive for the group, while the backing of CR Group could help the group expand through acquisitions.

The Fund divested China Oilfield Services, as the current rig cycle is unlikely to recover anytime soon, and sold TSC Auto ID Technology on concerns around rising competition in China (which is around 30% of revenue) and increasing levels of automation (which could mean less demand for barcode scanners).

for the year ended 31 July 2017

**Outlook**

There are near-term risks in the Greater China markets to be aware of. Hong Kong and China's property prices seem overheated, which raises the prospect of more aggressive cooling measures from the government. Meanwhile, a number of internet and technology stocks have tested new year-to-date highs (albeit supported by relatively strong rates of growth), which gives reason to pause. When the market is so upbeat and broadly in consensus, it is usually the right time to be cautious.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	7.4	11.3	26.0	49.3	90.8	186.1	643.8
Benchmark return %	11.3	17.5	33.2	61.3	101.0	144.4	349.5
Sector return %	12.2	18.6	33.3	60.3	106.4	114.7	420.0
Quartile ranking	4	4	4	4	3	1	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	26.0	12.7	5.1	6.1	20.5

*Benchmark: MSCI Golden Dragon Index.**Sector: IA China/Greater China**Past performance should not be used as a guide to future performance, which is not guaranteed.***Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
		% of Fund	Stock name	% of Fund
Taiwan Semiconductor Manufacturing	6.68		Taiwan Semiconductor Manufacturing	6.18
Tencent Holdings	5.90		Tong Ren Tang Technologies 'H'	4.85
CK Hutchison Holdings	3.45		CK Hutchison Holdings	4.40
Towngas China	3.32		Tencent Holdings	4.29
CSPC Pharmaceutical Group	3.15		Delta Electronics	4.12
Gree Electric Appliances 'A'	3.14		Advantech	4.01
Tong Ren Tang Technologies 'H'	3.10		Posiflex Technology	3.21
AAC Technologies Holdings	3.04		AIA Group	3.20
AIA Group	3.02		Towngas China	3.12
Advantech	2.98		ENN Energy Holdings	2.81

**Types of shares**

Accumulation.

# First State Greater China Growth Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED STATES (2.31%*)</b>	<b>7,898</b>	<b>1.70</b>
47,114 Baidu ADR	7,898	1.70
<b>CHINA (30.22%*)</b>	<b>144,794</b>	<b>31.15</b>
15,622,000 China BlueChemical 'H' Shares	3,353	0.72
5,215,000 China Mengniu Dairy	7,733	1.66
4,663,348 China Merchants Bank 'H' Shares	11,669	2.51
2,975,737 China Resources Land	7,272	1.57
2,263,087 China South Publishing & Media Group	4,390	0.95
2,612,000 ENN Energy Holdings	13,442	2.89
631,146 First State China 'A' Income Shares†	9,589	2.06
2,769,928 Fuyao Glass Industry Group 'H' Shares	7,161	1.54
3,282,336 Gree Electric Appliances 'A' Shares	14,581	3.14
1,550,425 Hangzhou Hikvision Digital Technology	5,265	1.13
811,996 Jiangsu Hengrui Medicine	4,704	1.01
3,479,482 Luthai Textile 'B' Shares	2,957	0.64
2,923,478 Midea Group	13,639	2.94
1,110,237 Shanghai International Airport 'A' Shares	4,706	1.01
1,673,679 Shenzhen Inovance Technology	4,706	1.01
1,975,000 Shenzhen International Group Holdings	10,058	2.16
13,120,000 Tong Ren Tang Technologies 'H' Shares	14,412	3.10
517,200 Yunnan Baiyao Group	5,157	1.11
<b>HONG KONG (30.01%*)</b>	<b>174,699</b>	<b>37.59</b>
1,376,000 AAC Technologies Holdings	14,109	3.04
2,340,000 AIA Group	14,039	3.02
662,900 ASM Pacific Technology	6,538	1.41
7,119,500 China Resources Phoenix Healthcare Holdings	6,848	1.47
5,451,484 China Taiping Insurance Holdings	12,498	2.69
1,598,500 CK Hutchison Holdings	16,031	3.45
12,372,000 CSPC Pharmaceutical Group	14,653	3.15
195,946 Jardine Matheson Holdings	9,441	2.03
1,027,175 Link REIT**	6,358	1.37
7,293,000 Luye Pharma Group	3,123	0.67
3,704,000 Minth Group	12,937	2.78
7,332,000 Sino Biopharmaceutical	4,907	1.06
1,334,000 Techtronic Industries	4,516	0.97
897,700 Tencent Holdings	27,429	5.90
28,782,652 Towngas China	15,444	3.32
3,586,000 Vitasoy International Holdings	5,828	1.26
<b>SINGAPORE (1.41%*)</b>	<b>11,653</b>	<b>2.51</b>
1,902,166 Dairy Farm International Holdings	11,653	2.51
<b>TAIWAN (36.90%*)</b>	<b>129,503</b>	<b>27.86</b>
2,415,950 Advantech	13,870	2.98
1,947,000 Chin-Poon Industrial	2,933	0.63
2,677,654 Delta Electronics	10,811	2.33
902,000 Giant Manufacturing	3,369	0.72
499,000 KMC Kuei Meng International	1,813	0.39
694,000 Macauto Industrial	3,450	0.74
973,000 Nien Made Enterprise	8,974	1.93

# First State Greater China Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

<b>Holdings</b>	<b>Market Value £'000</b>	<b>Total Net Assets %</b>
355,781 PChome Online	1,903	0.41
1,685,588 Posiflex Technology	7,103	1.53
202,000 Poya International	1,947	0.42
1,141,896 President Chain Store	7,377	1.59
6,594,181 Sinbon Electronics	12,314	2.65
1,553,000 Sitronix Technology	3,782	0.81
729,979 Sporton International	2,763	0.59
463,000 Taiwan FamilyMart	2,395	0.52
5,750,262 Taiwan Semiconductor Manufacturing	31,052	6.68
581,384 Voltronic Power Technology	7,570	1.63
2,490,290 Wistron NeWeb	6,077	1.31
<b>Portfolio of investments</b>	<b>468,547</b>	<b>100.81</b>
<b>Net other liabilities</b>	<b>(3,747)</b>	<b>(0.81)</b>
<b>Total net assets</b>	<b>464,800</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

\*\* Real estate investment trust (REIT).

Stocks shown as ADRs represent American Depositary Receipts.

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

# First State Greater China Growth Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	589.41	522.25	497.54
Return before operating charges*	165.78	76.46	34.42
Operating charges	(12.40)	(9.30)	(9.71)
Return after operating charges*	153.38	67.16	24.71
Distributions	(7.20)	(1.84)	(4.77)
Retained distributions on accumulation shares	7.20	1.84	4.77
Closing net asset value per share (p)	742.79	589.41	522.25
* after direct transaction costs of:	0.99	0.75	0.86
<b>Performance</b>			
Return after charges (%)	26.02%	12.86%	4.97%
<b>Other information</b>			
Closing net asset value (£'000)	147,748	130,287	203,541
Closing number of shares	19,890,913	22,104,621	38,974,106
Operating charges	1.84%	1.84%	1.82%
Direct transaction costs	0.15%	0.15%	0.16%
<b>Prices</b>			
Highest share price	756.43	598.03	638.30
Lowest share price	584.99	436.69	479.24

# First State Greater China Growth Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	640.51	563.14	532.55
Return before operating charges*	180.80	83.35	36.76
Operating charges	(7.97)	(5.98)	(6.17)
Return after operating charges*	172.83	77.37	30.59
Distributions	(13.52)	(7.39)	(9.72)
Retained distributions on accumulation shares	13.52	7.39	9.72
Closing net asset value per share (p)	813.34	640.51	563.14
* after direct transaction costs of:	1.08	0.81	0.92
<b>Performance</b>			
Return after charges (%)	26.98%	13.74%	5.74%
<b>Other information</b>			
Closing net asset value (£'000)	272,971	242,736	174,050
Closing number of shares	33,561,760	37,897,602	30,907,031
Operating charges	1.08%	1.08%	1.07%
Direct transaction costs	0.15%	0.15%	0.16%
<b>Prices</b>			
Highest share price	828.09	649.85	686.73
Lowest share price	635.77	471.11	513.82

# First State Greater China Growth Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	200.31	212.35	179.12
Return before operating charges*	41.91	(8.45)	36.99
Operating charges	(4.13)	(3.59)	(3.76)
Return after operating charges*	37.78	(12.04)	33.23
Distributions	(2.28)	(0.84)	(2.91)
Retained distributions on accumulation shares	2.28	0.84	2.91
Closing net asset value per share (c)	238.09	200.31	212.35
* after direct transaction costs of:	0.33	0.28	0.33
<b>Performance</b>			
Return after charges (%)	18.86%	(5.67)%	18.55%
<b>Other information</b>			
Closing net asset value (€'000)	7,114	8,044	11,037
Closing number of shares	2,987,976	4,015,490	5,197,182
Operating charges	1.84%	1.87%	1.85%
Direct transaction costs	0.15%	0.15%	0.16%
<b>Prices</b>			
Highest share price	243.79	214.57	253.16
Lowest share price	199.80	168.82	172.07

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	160.76	169.07	142.11
Return before operating charges*	33.74	(6.70)	28.64
Operating charges	(1.90)	(1.61)	(1.68)
Return after operating charges*	31.84	(8.31)	26.96
Distributions	(3.29)	(1.86)	(2.94)
Retained distributions on accumulation shares	3.29	1.86	2.94
Closing net asset value per share (c)	192.60	160.76	169.07
* after direct transaction costs of:	0.26	0.23	0.26
<b>Performance</b>			
Return after charges (%)	19.81%	(4.92)%	18.97%
<b>Other information</b>			
Closing net asset value (€'000)	42,195	52,340	64,257
Closing number of shares	21,907,399	32,556,745	38,005,165
Operating charges	1.05%	1.05%	1.04%
Direct transaction costs	0.15%	0.15%	0.16%
<b>Prices</b>			
Highest share price	197.18	170.88	201.53
Lowest share price	160.37	134.96	136.63

# First State Greater China Growth Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		98,235		45,020
Revenue	3	13,163		9,839	
Expenses	4	(5,965)		(5,321)	
Interest payable and similar charges		(12)		(7)	
<b>Net revenue before taxation</b>		<b>7,186</b>		<b>4,511</b>	
Taxation	5	(168)		(628)	
<b>Net revenue after taxation</b>			<b>7,018</b>		<b>3,883</b>
<b>Total return before distributions</b>			<b>105,253</b>		<b>48,903</b>
Distributions	6		(7,023)		(3,911)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>98,230</b>		<b>44,992</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>423,939</b>		<b>430,667</b>
Amounts receivable on issue of shares	50,065		28,189	
Less: Amounts payable on cancellation of shares	(114,300)		(83,657)	
		(64,235)		(55,468)
Dilution adjustment		105		-
Change in net assets attributable to shareholders from investment activities		98,230		44,992
Retained distribution on accumulation shares		6,761		3,748
<b>Closing net assets attributable to shareholders</b>		<b>464,800</b>		<b>423,939</b>

Notes to the Financial Statements are on pages 125 to 129.

# First State Greater China Growth Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>468,547</u>	<u>427,547</u>
<b>Current assets</b>			
Debtors	8	2,557	4,651
Cash and bank balances		<u>2,615</u>	<u>2,818</u>
<b>Total assets</b>		<u><b>473,719</b></u>	<u><b>435,016</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(8,919)</u>	<u>(11,077)</u>
<b>Total liabilities</b>		<u><b>(8,919)</b></u>	<u><b>(11,077)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>464,800</b></u>	<u><b>423,939</b></u>

*Notes to the Financial Statements are on pages 125 to 129.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	98,011	44,919
Forward foreign exchange currency contracts	(23)	11
Currency gains	247	90
Net capital gains	<u>98,235</u>	<u>45,020</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	61	67
Overseas non-taxable revenue	11,917	9,029
Property revenue from overseas REITs	287	376
Overseas scrip dividends	445	261
Distributions from regulated collective investment schemes:		
Offshore distribution non-taxable	451	-
Interest from bank deposits	2	6
Initial Charge Revenue	-	100
Total revenue	<u>13,163</u>	<u>9,839</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>5,614</u>	<u>5,003</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>69</u>	<u>52</u>
<b>Other expenses:</b>		
Audit fee	9	7
Registrar fees	137	137
Safe custody charges	66	61
Other expenses	<u>70</u>	<u>61</u>
	<u>282</u>	<u>266</u>
Total expenses	<u>5,965</u>	<u>5,321</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	168	628
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	7,186	4,511
Corporation tax of 20% (2016: 20%)	1,437	902
<b>Effects of:</b>		
Non-taxable scrip dividends*	(89)	(52)
Overseas non-taxable revenue*	(2,474)	(1,805)
Movement in excess management expenses	1,126	955
Irrecoverable overseas tax	168	628
Total tax charge for year (note 5a)	168	628

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

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

## (c) Deferred taxation:

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

## (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,962,546 (31/07/16: £9,837,152); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	1,736	-
Final distribution	5,025	3,748
	6,761	3,748
Add: revenue deducted on cancellation of shares	487	199
Deduct: revenue received on issue of shares	(225)	(36)
Net distributions for the year	7,023	3,911

*Details of the distribution per share are set out in the Distribution Tables on pages 130 to 131.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	7,018	3,883
Movement in net income as a result of conversions	5	28
Net distributions for the year	7,023	3,911

Notes to the Financial Statements

(continued)

as at 31 July 2017

8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	1,012	2,897
Amounts receivable for issue of shares	103	4
Accrued revenue	1,442	1,750
<b>Total debtors</b>	<b>2,557</b>	<b>4,651</b>

9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	6	23
Amounts payable for cancellation of shares	8,239	10,532
Accrued expenses	674	522
<b>Total creditors</b>	<b>8,919</b>	<b>11,077</b>

10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	95,175	98,468	152,101	138,778
Collective investment schemes	-	-	980	-
<b>Trades in the year before transaction costs</b>	<b>95,175</b>	<b>98,468</b>	<b>153,081</b>	<b>138,778</b>
<b>Commissions</b>				
Equities	120	150	(193)	(173)
<b>Taxes</b>				
Equities	36	44	(307)	(211)
<b>Total costs</b>	<b>156</b>	<b>194</b>	<b>(500)</b>	<b>(384)</b>
<b>Total net trades in the year after transaction costs</b>	<b>95,331</b>	<b>98,661</b>	<b>152,581</b>	<b>138,394</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.13	0.15	0.13	0.12
<b>Taxes</b>				
Equities	0.04	0.04	0.20	0.15

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.07	0.08
Taxes	0.08	0.07
<b>Total costs</b>	<b>0.15</b>	<b>0.15</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.25% (31/07/2016: 0.30%).

11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

as at 31 July 2017

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£46,855) (31/07/16: £42,755).

*(b) Interest-rate risk*

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

As at 31 July 2017, 0.56% (31/07/2016: 0.66%) of the Fund's assets were interest-bearing.

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

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Chinese yuan	57,148	56,930
Euro	(4,814)	388
Hong Kong dollar	243,527	192,910
Taiwanese dollar	131,142	159,673
US dollar	39,564	23,769
Total	<u>466,567</u>	<u>433,670</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 5.02% (£23,328,336) (31/07/16: 5.11% (£21,684)).

as at 31 July 2017

**13. Related parties**

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

Amounts paid from First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £492,334 (31/07/16: £420,548) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.25% (31/07/16: 0.21%) of the net asset value of the Fund.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.12% (31/07/16: 0.62%) of the net asset value of the Fund.

Investments considered to be related parties have been identified in the portfolio statement if held at the year end. Total purchases of related-party securities were £nil (31/07/2016: £nil). Total sales of related-party securities were £980,339 (31/07/2016: £6,948,541).

**Material Shareholders**

Hargreaves Lansdown Nominees Limited held material shareholding in the Fund during the year to 31 July 2017, and at the year end held 28.7% of the Fund's shares in issue.

**14. Share classes**

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.75
Share class B Accumulation (Institutional):	1.00
Share class A Accumulation (EUR share class) (Retail):	1.75
Share class B Accumulation (EUR share class) (Institutional):	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 119 to 122.

The distributions per share class are given in the Distribution Tables on pages 130 to 131.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation	22,104,621	3,974,304	(5,744,496)	(443,516)	19,890,913
Share class B Accumulation	37,897,602	2,182,977	(6,925,473)	406,654	33,561,760
Share class A Accumulation (EUR share class) (Retail)	4,015,490	308,468	(1,335,982)	-	2,987,976
Share class B Accumulation (EUR share class) (Institutional)	32,556,745	4,435,904	(15,085,250)	-	21,907,399

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	458,958	-	409,676	-
Level 2	9,589	-	17,871	-
Level 3	-	-	-	-
Total fair value	468,547	-	427,547	-

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

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

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

# First State Greater China Growth Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.9776	-	0.9776	-
Final	6.2214	-	6.2214	1.8419
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.9776	0.9776	-
Final	2.7978	3.4236	6.2214	1.8419

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	3.7587	-	3.7587	-
Final	9.7609	-	9.7609	7.3921
Group 2	(p)	(p)	(p)	(p)
Interim	-	3.7587	3.7587	-
Final	6.7287	3.0322	9.7609	7.3921

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.3133	-	0.3133	-
Final	1.9712	-	1.9712	0.8423
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.3133	0.3133	-
Final	1.8840	0.0872	1.9712	0.8423

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.9448	-	0.9448	-
Final	2.3433	-	2.3433	1.8625
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.9448	0.9448	-
Final	2.3198	0.0235	2.3433	1.8625

**Distribution Tables**

(continued)

for the year ended 31 July 2017

**Corporate tax for all share classes (unaudited)**

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

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

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

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

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

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

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

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

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

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

### Risks and reward profile

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

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

\*The SRRRI changed from 6 to 5 on 13 January 2017.

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 15.0% in sterling terms over the year and has provided cumulative returns of 72.2% and 156.9% over three and five years respectively to 31 July 2017.

Key positive contributors over the period included Kotak Mahindra Bank (Financials), as investors were attracted by this well-governed bank with a strong balance sheet and prudent lending policy. Marico (Consumer Staples) gained because of its strong brands and a keen focus on sustainability. Housing Development Finance (Financials) rose as investors became increasingly positive about the potential size of its market.

Tech Mahindra (Information Technology) declined on subdued profit growth, although the long-term outlook for the company remains positive. Dr Reddy's Laboratories (Health Care) was weak on regulatory risk alongside concerns about the backdrop for generic drugs. Lupin (Health Care) was also impacted by worries about the subdued outlook for generic drugs.

### Portfolio changes

Significant new positions over the year included Cyient (Information Technology), a well-run IT services company whose market cap remains small relative to its long-term potential. The Fund bought Dr Lal Pathlabs (Health Care), a well-managed provider of diagnostic and healthcare tests with a large potential market. The Fund also bought Shanthi Gears (Industrials), a provider of gears and gearboxes, which has been brought under the respected Murugappa group umbrella.

The Fund sold Infosys (Information Technology) on concerns about new management and the sustainability of the franchise. The Fund also sold Container Corp (Industrials) and Cholamandalam Investment and Finance (Financials) on valuation concerns.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Outlook**

The Fund remains defensively positioned and focused on companies with good quality management, conservative balance sheets and growing, but predictable cash flows. The Manager continues to look for companies that should benefit from and contribute to the sustainable development of India over the long term.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	4.5	10.9	15.0	72.2	156.9	319.1	369.4
Benchmark return %	6.7	18.7	20.6	54.5	98.1	111.3	156.4
Sector return %	2.1	3.5	9.8	23.3	43.2	65.2	77.1
Quartile ranking	2	1	2	1	1	1	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	15.0	15.9	29.2	27.3	17.2

*Benchmark: MSCI India Index.*

*Sector: IA specialist.*

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
		% of Fund	Stock name	% of Fund
Marico	6.07	Marico	7.14	
Housing Development Finance	5.79	Housing Development Finance	5.71	
Tech Mahindra	5.20	Tech Mahindra	5.47	
Kotak Mahindra Bank	5.14	Dr Reddy's Laboratories	5.11	
Dr Reddy's Laboratories	4.68	Kotak Mahindra Bank	4.95	
Dabur India	4.59	Dabur India	4.47	
Godrej Consumer Products	4.34	Godrej Consumer Products	3.96	
Tata Consultancy Services	4.17	Tube Investments of India	3.88	
Mahindra & Mahindra	3.59	Idea Cellular	3.58	
Cyient	3.35	Infosys	3.15	

**Types of shares**

Accumulation.

# Stewart Investors Indian Subcontinent Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED STATES (0.67%*)</b>	-	-
<b>BANGLADESH (5.11%*)</b>	<b>20,963</b>	<b>7.40</b>
10,602,576 BRAC Bank	8,717	3.08
5,169,079 Delta Brac Housing Finance	5,494	1.94
265,361 Marico Bangladesh	2,553	0.90
1,585,743 Square Pharmaceuticals	4,199	1.48
<b>INDIA (83.67%*)</b>	<b>223,764</b>	<b>79.02</b>
1,109,242 Cipla	7,393	2.61
3,819,851 City Union Bank	8,149	2.88
387,549 Colgate-Palmolive India	4,976	1.76
1,519,311 Cyient	9,474	3.35
3,542,728 Dabur India	13,000	4.59
125,344 Dr Lal PathLabs	1,230	0.44
469,809 Dr Reddy's Laboratories	13,257	4.68
1,491,622 Elgi Equipments	4,181	1.48
999,536 Godrej Consumer Products	12,302	4.34
772,619 Housing Development Finance	16,404	5.79
8,304,537 Idea Cellular	9,109	3.22
428,267 Indoco Remedies	1,017	0.36
488,272 Info Edge India	5,765	2.04
1,115,074 Kansai Nerolac Paints	6,040	2.13
1,196,729 Kotak Mahindra Bank	14,541	5.14
426,340 Linde India	2,213	0.78
261,581 Lupin	3,203	1.13
609,436 Mahindra & Mahindra	10,178	3.59
866,888 Mahindra Lifespace Developers	4,335	1.53
4,348,196 Marico	17,201	6.07
374,582 Pidilite Industries	3,533	1.25
1,172,383 S H Kelkar	3,679	1.30
629,353 Shanthi Gears	1,081	0.38
154,035 Sundaram Finance	3,070	1.08
863,539 Tata Chemicals	6,349	2.24
399,080 Tata Consultancy Services	11,817	4.17
3,219,813 Tech Mahindra	14,722	5.20
1,003,351 Tube Investments of India	9,212	3.25
1,849,854 Wipro	6,333	2.24
<b>SRI LANKA (7.05%*)</b>	<b>23,931</b>	<b>8.45</b>
3,927,600 Cargills Ceylon	4,034	1.42
9,897,978 Commercial Bank of Ceylon	6,763	2.39
2,093,683 CT Holdings	1,600	0.57
49,201,300 Dialog Axiata	2,808	0.99
11,962,613 Hemas Holdings	8,726	3.08
<b>Portfolio of investments</b>	<b>268,658</b>	<b>94.87</b>
<b>Net other assets</b>	<b>14,514</b>	<b>5.13</b>
<b>Total net assets</b>	<b>283,172</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

# Stewart Investors Indian Subcontinent Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	407.64	351.74	272.18
Return before operating charges*	69.60	62.54	86.00
Operating charges	(8.35)	(6.64)	(6.44)
Return after operating charges*	61.25	55.90	79.56
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share (p)	468.89	407.64	351.74
* after direct transaction costs of:	0.54	0.33	0.62
<b>Performance</b>			
Return after charges (%)	15.03%	15.89%	29.23%
<b>Other information</b>			
Closing net asset value (£'000)	103,431	104,445	157,657
Closing number of shares	22,058,659	25,621,795	44,822,455
Operating charges	1.92%	1.94%	1.94%
Direct transaction costs	0.12%	0.10%	0.19%
<b>Prices</b>			
Highest share price	471.54	410.47	384.65
Lowest share price	399.52	309.57	268.31

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	203.15	174.12	133.83
Return before operating charges*	34.69	31.08	42.35
Operating charges	(2.54)	(2.05)	(2.06)
Return after operating charges*	32.15	29.03	40.29
Distributions	(0.21)	(0.38)	-
Retained distributions on accumulation shares	0.21	0.38	-
Closing net asset value per share (p)	235.30	203.15	174.12
* after direct transaction costs of:	0.27	0.17	0.31
<b>Performance</b>			
Return after charges (%)	15.83%	16.67%	30.11%
<b>Other information</b>			
Closing net asset value (£'000)	155,491	148,746	72,847
Closing number of shares	66,080,779	73,218,321	41,838,672
Operating charges	1.16%	1.20%	1.24%
Direct transaction costs	0.12%	0.10%	0.19%
<b>Prices</b>			
Highest share price	236.61	204.55	190.04
Lowest share price	199.59	153.87	131.93

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	297.90	307.75	211.11
Return before operating charges*	31.28	(4.52)	101.92
Operating charges	(5.88)	(5.33)	(5.28)
Return after operating charges*	25.40	(9.85)	96.64
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share (c)	323.30	297.90	307.75
* after direct transaction costs of:	0.39	0.27	0.51
<b>Performance</b>			
Return after charges (%)	8.53%	(3.20)%	45.78%
<b>Other information</b>			
Closing net asset value (€'000)	25,980	60,277	74,304
Closing number of shares	8,035,670	20,233,413	24,144,452
Operating charges	1.89%	1.91%	1.93%
Direct transaction costs	0.12%	0.10%	0.19%
<b>Prices</b>			
Highest share price	335.31	316.05	328.82
Lowest share price	291.37	242.74	207.34

# Stewart Investors Indian Subcontinent Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	104.20	105.65	99.54
Return before operating charges*	17.51	(0.34)	7.99
Operating charges	(1.21)	(1.11)	(1.88)
Return after operating charges*	16.30	(1.45)	6.11
Distributions	(0.38)	-	(0.21)
Retained distributions on accumulation shares	0.38	-	0.21
Closing net asset value per share (c)	120.50	104.20	105.65
* after direct transaction costs of:	0.13	0.09	0.30
<b>Performance</b>			
Return after charges (%)	15.64%	(1.37)%	6.14%
<b>Other information</b>			
Closing net asset value (\$'000)	1,345	1,786	15,899
Closing number of shares	1,116,400	1,713,299	15,048,266
Operating charges	1.12%	1.16%	1.16%
Direct transaction costs	0.12%	0.10%	0.19%
<b>Prices</b>			
Highest share price	120.69	107.74	224.58
Lowest share price	97.43	85.91	93.70

Share class B Accumulation (USD share class) was launched on 25 March 2013, closed on 28 January 2014 and relaunched on 8 December 2014.

## Stewart Investors Indian Subcontinent Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		43,069		43,277
Revenue	3	3,776		3,802	
Expenses	4	(4,405)		(4,434)	
Interest payable and similar charges		(1)		(5)	
<b>Net expenses before taxation</b>		<b>(630)</b>		<b>(637)</b>	
Taxation	5	(374)		(262)	
<b>Net expenses after taxation</b>			<b>(1,004)</b>		<b>(899)</b>
<b>Total return before distribution</b>			<b>42,065</b>		<b>42,378</b>
Distribution	6		(142)		(281)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>41,923</b>		<b>42,097</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>305,373</b>		<b>293,092</b>
Amounts receivable on issue of shares	10,847		17,121	
Less: Amounts payable on cancellation of shares	(75,230)		(47,275)	
		(64,383)		(30,154)
Dilution adjustment		118		57
Change in net assets attributable to shareholders from investment activities		41,923		42,097
Retained distribution on accumulation shares		141		281
<b>Closing net assets attributable to shareholders</b>		<b>283,172</b>		<b>305,373</b>

Notes to the Financial Statements are on pages 141 to 145.

# Stewart Investors Indian Subcontinent Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>268,658</u>	<u>294,690</u>
<b>Current assets</b>			
Debtors	8	830	4,956
Cash and bank balances		<u>14,812</u>	<u>7,452</u>
<b>Total assets</b>		<u><b>284,300</b></u>	<u><b>307,098</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Bank overdrafts		(118)	-
Other creditors	9	<u>(1,010)</u>	<u>(1,725)</u>
<b>Total liabilities</b>		<u><b>(1,128)</b></u>	<u><b>(1,725)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>283,172</b></u></u>	<u><u><b>305,373</b></u></u>

*Notes to the Financial Statements are on pages 141 to 145.*

## Notes to the Financial Statements

as at 31 July 2017

**1. Accounting basis and policies**

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

**2. Net capital gains**

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	43,513	41,708
Forward foreign exchange currency contracts	11	(8)
Currency (losses)/gains	(455)	1,577
Net capital gains	<u>43,069</u>	<u>43,277</u>

**3. Revenue**

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	(3)	-
Overseas non-taxable revenue	3,508	3,362
Interest from bank deposits	3	4
Initial Charge Revenue	268	436
Total revenue	<u>3,776</u>	<u>3,802</u>

**4. Expenses**

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>3,956</u>	<u>3,932</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>44</u>	<u>39</u>
<b>Other expenses:</b>		
Audit fee	9	8
Registrar fees	110	122
Safe custody charges	213	180
Other expenses	<u>73</u>	<u>153</u>
Total expenses	<u>4,405</u>	<u>4,434</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	95	68
Indian capital gains tax	279	194
Total taxation (note 5b)	<u>374</u>	<u>262</u>
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net expenses before taxation	(630)	(637)
Corporation tax of 20% (2016: 20%)	(126)	(127)
<b>Effects of:</b>		
Overseas non-taxable revenue*	(702)	(673)
Movement in excess management expenses	828	800
Irrecoverable overseas tax	95	68
Indian capital gains tax	279	194
Total tax charge for year (note 5a)	<u>374</u>	<u>262</u>

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

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

## (c) Deferred taxation:

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

## (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,374,249 (31/07/16: £5,546,455); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distribution

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

	31 July 2017 £'000	31 July 2016 £'000
Final distribution	141	281
Add: revenue deducted on cancellation of shares	1	1
Deduct: revenue received on issue of shares	-	(1)
Net distribution for the year	<u>142</u>	<u>281</u>

*Details of the distribution per share are set out in the Distribution Tables on pages 146 to 147.*

## 7. Movement between net expenses and net distribution

	31 July 2017 £'000	31 July 2016 £'000
Net expenses after taxation	(1,004)	(899)
Revenue deficit	867	986
Indian capital gains tax	279	194
Net distribution for the year	<u>142</u>	<u>281</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	2,860
Amounts receivable for issue of shares	-	1,317
Accrued revenue	830	779
<b>Total debtors</b>	<b>830</b>	<b>4,956</b>

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	-	38
Amounts payable for cancellation of shares	467	1,186
Accrued expenses	543	501
<b>Total creditors</b>	<b>1,010</b>	<b>1,725</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	37,580	43,076	107,487	56,147
Trades in the year before transaction costs	37,580	43,076	107,487	56,147
<b>Commissions</b>				
Equities	59	87	(127)	(56)
<b>Taxes</b>				
Equities	40	55	(136)	(70)
<b>Total costs</b>	<b>99</b>	<b>142</b>	<b>(263)</b>	<b>(126)</b>
<b>Total net trades in the year after transaction costs</b>	<b>37,679</b>	<b>43,218</b>	<b>107,224</b>	<b>56,021</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.16	0.20	0.12	0.10
<b>Taxes</b>				
Equities	0.11	0.13	0.13	0.12

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.06	0.05
Taxes	0.06	0.05
<b>Total costs</b>	<b>0.12</b>	<b>0.10</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.23% (31/07/2016: 0.27%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

as at 31 July 2017

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£26,865,773) (31/07/16: £29,469,017).

*(b) Interest-rate risk*

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

As at 31 July 2017, 5.19% (31/07/16: 2.44%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Indian Subcontinent Fund would be an increase or decrease of approximately £36,733 (31/07/16: £18,631).

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

	Net foreign currency assets 31 July 2017	Net foreign currency assets 31 July 2016
Currency	Total £'000	Total £'000
Bangladeshi taka	20,973	15,604
Euro	(327)	-
Indian rupee	224,585	260,096
Sri Lankan rupee	23,932	21,542
US dollar	4,718	4,620
Total	<u>273,881</u>	<u>301,862</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.84% (£13,694,033) (31/07/16: 4.94% (£15,093,114)).

as at 31 July 2017

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £320,974 (31/07/16: £332,470) due at the year end.

**Material Shareholders**

Hargreaves Lansdown Nominees Limited, FIL Nominee (Shareholdings) Limited and Cofunds Nominees Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 28.3, 11.5% and 10.5% of the Fund's shares in issue respectively.

**14. Share classes**

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.75
Share class B Accumulation (Institutional):	1.00
Share class A Accumulation (EUR share class) (Retail):	1.75
Share class B Accumulation (USD share class) (Institutional):	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 135 to 138.

The distribution per share class is given in the Distribution Tables on pages 146 to 147.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail):	25,621,795	442,191	(3,769,347)	(235,980)	22,058,659
Share class B Accumulation (Institutional):	73,218,321	2,366,398	(9,975,692)	471,752	66,080,779
Share class A Accumulation (EUR share class) (Retail):	20,233,413	1,365,868	(13,563,611)	-	8,035,670
Share class B Accumulation (USD share class) (Institutional):	1,713,299	147,801	(744,700)	-	1,116,400

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	268,658	-	294,690	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	268,658	-	294,690	-

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

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

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

# Stewart Investors Indian Subcontinent Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.2085	-	0.2085	0.3833
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.2068	0.0017	0.2085	0.3833

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class B Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.3798	-	0.3798	-
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.3798	-	0.3798	-

## Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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 that are listed, traded or dealt in on Regulated Markets worldwide and in equity-related instruments listed, traded or dealt in on Regulated Markets worldwide that provide exposure to Japan. The Fund may also invest in other equity securities and equity-related instruments that are listed, traded or dealt in on Regulated Markets worldwide as well as in cash and near cash.

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

At times, the Fund's portfolio may be concentrated in a small number of holdings.

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

- Clarification point: large and mid-capitalisation typically refers to equities with a minimum market capitalisation of US\$ 1 billion.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

**Concentration risk:** the Fund invests in a relatively small number of companies or countries, which may be riskier than a fund that invests in a large number of companies or countries. Investing in a larger number of companies or countries helps spread risk.

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

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

### Performance

The Fund rose by 12.6% in sterling terms over the year to 31 July 2017.

Key contributors to performance over the year included Start Today, which saw a reacceleration of gross merchandise volume and profit growth. MISUMI Group also added to performance, as the company reported sales and profits growth despite the currency drag of a stronger yen.

On the negative side, Meiji Holdings detracted from performance due to currency movements. The rotation into cyclicals, exporters and banking stocks also played a part in its underperformance. Sosei Group also declined.

for the year ended 31 July 2017

### Portfolio changes

Significant purchases over the year included Recruit Holdings, a global human resources company that provides recruitment, staffing and marketing media services. Recruit owns the largest global online career search engine, Indeed, which has over 200 million monthly unique visitors. Softbank, an investment vehicle whose major asset is its stake in Alibaba, was also purchased by the Fund, based on a positive view of Alibaba's long-term value creation. The valuation presented a significant discount to net asset value (NAV), which should provide a reasonable level of protection in the event of a downturn.

The Fund divested SCSK, a position that had performed well and reached its fair market value. Olympus was sold on concerns around its sleepy culture and reluctance to change.

### Outlook

Quality companies – those with conservative balance sheets, decent earnings and high return on equities (ROEs) – are once again in favour with investors. The recent earnings season in Japan saw a large number of companies beating expectations, with trading companies and electronics driving the increase in profits. Despite this, guidance for the new reporting year has remained conservative, with global growth assumptions and yen forecasts still on the prudent side. This could pave the way for earnings to surprise on the upside once again, which could help the equity rally further.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	9.2	13.9	12.6	-	-	-	53.9
Benchmark return %	4.2	3.2	15.0	-	-	-	33.1
Sector return %	5.1	4.7	16.4	-	-	-	36.2
Quartile ranking	1	1	4	-	-	-	1

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	12.6	-	-	-	-

Benchmark: MSCI Japan Index.

Sector: Japan

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

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Keyence	6.08	Ryohin Keikaku	6.16	
Start Today	5.25	Tsuruha Holdings	5.94	
Tsuruha Holdings	5.17	Daito Trust Construction	5.33	
Recruit Holdings	5.12	Nitori Holdings	5.32	
Ryohin Keikaku	4.81	MISUMI Group	4.05	
MISUMI Group	4.49	Hoshizaki Electric	3.90	
Nitori Holdings	3.71	Sundrug	3.83	
Koito Manufacturing	3.45	SCSK	3.62	
Daito Trust Construction	3.37	Start Today	3.57	
Asahi Intecc	3.31	Asahi Intecc	3.54	

### Types of shares

Accumulation.

# First State Japan Focus Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>JAPAN (92.94%*)</b>	<b>19,540</b>	<b>96.60</b>
19,600 Asahi Intecc	670	3.31
30,200 Casio Computer	376	1.86
4,500 Daikin Industries	362	1.79
5,300 Daito Trust Construction	681	3.37
4,800 Disco	647	3.20
4,900 Ezaki Glico	196	0.97
14,400 Harmonic Drive Systems	473	2.34
2,900 Hoshizaki Electric	213	1.05
34,900 Isuzu Motors	364	1.80
6,500 Izumi	258	1.28
12,000 KDDI	241	1.19
3,500 Keyence	1,230	6.08
15,700 Koito Manufacturing	698	3.45
3,600 Kose	304	1.50
7,000 Kubota	93	0.46
13,200 Kusuri no Aoki Holdings	551	2.72
10,500 Mabuchi Motor	421	2.08
7,400 MEIJI Holdings	448	2.21
48,200 MISUMI Group	908	4.49
27,000 NGK Insulators	413	2.04
14,300 Nifco	627	3.10
7,000 Nitori Holdings	750	3.71
27,600 OSG	442	2.18
5,500 Pigeon	155	0.77
78,800 Recruit Holdings	1,036	5.12
16,100 Relo Group	246	1.22
5,000 Ryohin Keikaku	972	4.81
31,000 Sekisui Chemical	434	2.15
6,000 Seven & i Holdings	184	0.91
7,800 Shin-Etsu Chemical	543	2.68
8,900 SoftBank Group	549	2.71
2,300 Sosei Group	182	0.90
49,500 Start Today	1,061	5.25
7,000 Suruga Bank	128	0.63
2,800 Sysmex	122	0.60
9,500 TechnoPro Holdings	309	1.53
7,600 Terumo	219	1.08
12,700 Tsubaki Nakashima	194	0.96
13,100 Tsuruha Holdings	1,045	5.17
18,400 Unicharm	359	1.77
15,100 Welcia Holdings	436	2.16

# First State Japan Focus Fund

## Portfolio Statement

(continued)

as at 31 July 2017

	Market Value £'000	Total Net Assets %
<b>DERIVATIVES ((0.01%*))</b>	(1)	-
<b>Forward Currency Contracts</b>		
<b>Japanese Yen</b>		
Sold JPY709,153 for GBP4,824 Settlement 04/08/2017	-	-
Sold JPY12,182,257 for GBP83,468 Settlement 04/08/2017	(1)	-
<b>Portfolio of investments<sup>^</sup></b>	<b>19,539</b>	<b>96.60</b>
<b>Net other assets</b>	<b>687</b>	<b>3.40</b>
<b>Total net assets</b>	<b>20,226</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

<sup>^</sup> Including derivative liabilities.

# First State Japan Focus Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)
<b>Share class B Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	136.48	100.00
Return before operating charges*	18.80	37.46
Operating charges	(1.50)	(0.98)
Return after operating charges*	17.30	36.48
Distributions	(0.12)	-
Retained distributions on accumulation shares	0.12	-
Closing net asset value per share (p)	153.78	136.48
* after direct transaction costs of:	0.14	0.14
<b>Performance</b>		
Return after charges (%)	12.68%	36.48%
<b>Other information</b>		
Closing net asset value (£'000)	18,698	12,080
Closing number of shares	12,159,065	8,850,593
Operating charges	1.06%	1.10%
Direct transaction costs	0.10%	0.12%
<b>Prices</b>		
Highest share price	158.79	140.74
Lowest share price	126.20	97.76

Share class B Accumulation was launched on 26 October 2015.

# First State Japan Focus Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)
<b>Share class B Hedged Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	102.69	100.00
Return before operating charges*	21.03	3.55
Operating charges	(1.15)	(0.86)
Return after operating charges*	19.88	2.69
Distributions	(0.12)	-
Retained distributions on accumulation shares	0.12	-
Closing net asset value per share (p)	122.57	102.69
* after direct transaction costs of:	0.11	0.12
<b>Performance</b>		
Return after charges (%)	19.36%	2.69%
<b>Other information</b>		
Closing net asset value (£'000)	93	61
Closing number of shares	75,758	59,692
Operating charges	1.06%	1.16%
Direct transaction costs	0.10%	0.12%
<b>Prices</b>		
Highest share price	123.91	106.91
Lowest share price	95.38	86.04

Share class B Hedged Accumulation was launched on 30 October 2015.

# First State Japan Focus Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)
<b>Share class B Accumulation (EUR share class)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	116.27	100.00
Return before operating charges*	8.56	17.18
Operating charges	(1.25)	(0.91)
Return after operating charges*	7.31	16.27
Distributions	(0.11)	(0.01)
Retained distributions on accumulation shares	0.11	0.01
Closing net asset value per share (c)	123.58	116.27
* after direct transaction costs of:	0.10	0.14
<b>Performance</b>		
Return after charges (%)	6.29%	16.27%
<b>Other information</b>		
Closing net asset value (€'000)	1,605	174
Closing number of shares	1,299,053	149,746
Operating charges	1.06%	1.07%
Direct transaction costs	0.10%	0.12%
<b>Prices</b>		
Highest share price	130.89	118.55
Lowest share price	107.69	90.69

Share class B Accumulation (EUR share class) was launched on 26 October 2015.

# First State Japan Focus Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		1,982		2,434
Revenue	3	211		57	
Expenses	4	(179)		(57)	
Interest payable and similar charges		(1)		-	
<b>Net revenue before taxation</b>		<b>31</b>		<b>-</b>	
Taxation	5	(22)		(5)	
<b>Net revenue/(expenses) after taxation</b>			<b>9</b>		<b>(5)</b>
<b>Total return before distribution/equalisation</b>			<b>1,991</b>		<b>2,429</b>
Distribution/Equalisation	6		(9)		-
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,982</b>		<b>2,429</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>12,288</b>		<b>-</b>
Amounts receivable on issue of shares	6,520		10,065	
Less: Amounts payable on cancellation of shares	(593)		(222)	
		5,927		9,843
Dilution adjustment		12		16
Change in net assets attributable to shareholders from investment activities		1,982		2,429
Retained distribution on accumulation shares		17		-
<b>Closing net assets attributable to shareholders</b>		<b>20,226</b>		<b>12,288</b>

Notes to the Financial Statements are on pages 157 to 162.

# First State Japan Focus Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>19,540</u>	<u>11,420</u>
<b>Current assets</b>			
Debtors	8	235	325
Cash and bank balances		<u>677</u>	<u>1,034</u>
<b>Total assets</b>		<u><b>20,452</b></u>	<u><b>12,779</b></u>
<b>Liabilities</b>			
Investment liabilities		(1)	(1)
<b>Creditors</b>			
Other creditors	9	<u>(225)</u>	<u>(490)</u>
<b>Total liabilities</b>		<u><b>(226)</b></u>	<u><b>(491)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>20,226</b></u></u>	<u><u><b>12,288</b></u></u>

*Notes to the Financial Statements are on pages 157 to 162.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	1,986	2,467
Forward foreign exchange currency contracts	4	(2)
Currency losses	(8)	(31)
Net capital gains	<u>1,982</u>	<u>2,434</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	(1)	-
Overseas non-taxable revenue	212	56
Interest from bank deposits	-	1
Total revenue	<u>211</u>	<u>57</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	146	47
ACD's periodic charge rebate	(11)	(44)
	<u>135</u>	<u>3</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>3</u>	<u>2</u>
<b>Other expenses:</b>		
Audit fee*	4	9
Registrar fees	2	2
Safe custody charges	2	1
Other expenses	33	40
	<u>41</u>	<u>52</u>
Total expenses	<u>179</u>	<u>57</u>

\* The audit fee for the year to 31 July 2017 is £10,533 net of VAT. The figure above includes an adjustment for the over accrual of the prior year fees.

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	22	5
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	31	-
Corporation tax of 20% (2016: 20%)	6	-
<b>Effects of:</b>		
Overseas non-taxable revenue*	(42)	(11)
Movement in excess management expenses	36	11
Irrecoverable overseas tax	22	5
Total tax charge for year (note 5a)	22	5

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £47,667 (31/07/16: £11,368); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distribution/Equalisation

The distribution/equalisation takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	31 July 2017 £'000	31 July 2016 £'000
Final distribution	17	-
	17	-
Add: revenue deducted on cancellation of shares	1	-
Deduct: revenue received on issue of shares	(9)	-
Net distribution/equalisation for the year	9	-

*Details of the distribution per share are set out in the Distribution Tables on pages 163 to 164.*

## 7. Movement between net revenue/(expenses) and net distribution/equalisation

	31 July 2017 £'000	31 July 2016 £'000
Net revenue/(expenses) after taxation	9	(5)
Revenue deficit	-	5
Net distribution/equalisation for the year	9	-

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	221	40
Amounts receivable for issue of shares	-	273
Accrued revenue	14	5
Accrued ACD's periodic charge rebate	-	7
<b>Total debtors</b>	<b>235</b>	<b>325</b>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	157	345
Amounts payable for cancellation of shares	13	106
Accrued expenses	55	39
<b>Total creditors</b>	<b>225</b>	<b>490</b>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	14,627	10,615	8,512	1,673
Trades in the year before transaction costs	14,627	10,615	8,512	1,673
<b>Commissions</b>				
Equities	11	6	(6)	(2)
<b>Taxes</b>				
Equities	-	-	-	-
<b>Total costs</b>	<b>11</b>	<b>6</b>	<b>(6)</b>	<b>(2)</b>
<b>Total net trades in the year after transaction costs</b>	<b>14,638</b>	<b>10,621</b>	<b>8,506</b>	<b>1,671</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.08	0.06	0.07	0.12
<b>Taxes</b>				
Equities	-	-	-	-

as at 31 July 2017

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.10	0.11
Taxes	-	-
Total costs	0.10	0.11

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.17% (31/07/2016: 0.23%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£1,953,959) (31/07/16: £1,142,070).

*(b) Interest-rate risk*

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

As at 31 July 2017, 3.35% (31/07/2016: 8.41%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State Japan Focus Fund would be an increase or decrease of approximately £1,694 (31/07/16: £2,583).

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Euro	49	76
Japanese yen	19,678	11,683
Total	<u>19,727</u>	<u>11,759</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.88% (£986,310) (31/07/16: 4.78% (£587,942)).

*(d) Derivative risk*

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the period end, as the sensitivity analysis or value at risk are not significant, no additional disclosure has been shown.

**Effective Portfolio Management****Financial derivative instruments exposure as at 31 July 2017**

Forward foreign currency contracts (hedging)	Value (£)
	(543)
<b>Total financial derivative instruments exposure</b>	<u>(543)</u>

**Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2017**

State Street Bank and Trust Company	Value (£)
	(543)

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £14,289 (31/07/16: £7,571) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 35.52% (31/07/16: 36.02%) of the net asset value of the Fund.

Close family members of the Directors of the ACD had a combined holding in share class B Hedged Accumulation of 18.4%.

**Material Shareholders**

HSBC Global Custody Nominee (UK) Limited and Fund Settle EOC Nominees Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 32.1% and 15.7% of the Fund's shares in issue respectively.

Close family members of the Directors of the ACD had a combined holding in share class B Hedged Accumulation of 18.4%.

as at 31 July 2017

**14. Share classes**

The Fund has three share classes in issue.

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

	%
Share class B Accumulation (Institutional):	0.85
Share class B Hedged Accumulation (Institutional):	0.85
Share class B Accumulation (EUR share class) (Institutional):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 152 to 154.

The distribution per share class is given in the Distribution Tables on pages 163 to 164.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class B Accumulation (Institutional)	8,850,593	3,654,310	(345,838)	-	12,159,065
Share class B Hedged Accumulation (Institutional)	59,692	94,358	(78,293)	-	75,758
Share class B Accumulation (EUR share class) (Institutional)	149,746	1,174,365	(25,058)	-	1,299,053

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	19,540	-	11,420	-
Level 2	-	(1)	-	(1)
Level 3	-	-	-	-
Total fair value	<u>19,540</u>	<u>(1)</u>	<u>11,420</u>	<u>(1)</u>

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

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

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

# First State Japan Focus Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.1247	-	0.1247	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	0.1247	0.1247	-

### Share class B Hedged Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.1185	-	0.1185	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.0165	0.1020	0.1185	-

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.1124	-	0.1124	0.0112
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	0.1124	0.1124	0.0112

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# First State Emerging Markets Bond Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve an investment return from income and capital appreciation.

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

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

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

### Risks and reward profile

	← Lower Risk				Higher Risk →		
	Potentially Lower Rewards				Potentially Higher Rewards		
	1	2	3	4	5	6	7
Share class A Hedged Accumulation	1	2	3	4	5	6	7
Share class A Hedged Income	1	2	3	4	5	6	7
Share class B Hedged Accumulation	1	2	3	4	5	6	7
Share class B Hedged Income	1	2	3	4	5	6	7
Share class A Hedged Accumulation (EUR share class)	1	2	3	4	5	6	7
Share class A Hedged Income (EUR share class)	1	2	3	4	5	6	7
Share class B Hedged Income (EUR share class)	1	2	3	4	5	6	7
Share class B Gross Hedged Accumulation (EUR share class)	1	2	3	4	5	6	7
Share class B Accumulation (USD share class)	1	2	3	4	5	6	7
Share class B Gross Accumulation (USD share class)	1	2	3	4	5	6	7
Share class Z Gross Hedged Accumulation	1	2	3	4	5	6	7
Share class Z Gross Accumulation (USD share class)	1	2	3	4	5	6	7

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 4 due to its past performance and the nature of its investments. Shares with a rating of 4 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

for the year ended 31 July 2017

The Fund might also experience the following risks:

**Currency hedged share class risk:** hedging transactions are designed to reduce currency risk for investors. There is no guarantee that the hedging will be totally successful or that it can eliminate currency risk entirely.

**Interest-rate risk:** interest rates affect the Fund's investments. If rates go up, the value of investments fall and vice versa.

**Credit risk:** the issuers of bonds or similar investments that the Fund buys may not pay income or repay capital to the Fund when due.

**Derivative risk:** the use of derivatives may result in gains or losses that are greater than an investment in the underlying asset.

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

### Performance

The Fund rose by 2.6% in sterling terms over the year and has provided cumulative returns of 11.0% and 19.1% over three and five years respectively to 31 July 2017.

Returns were slightly behind the benchmark JPM EMBI Global Diversified Total Return Index (GBP hedged).

### Portfolio changes

Buoyant investor sentiment towards the asset class prompted several countries to increase bond issuance. The Fund participated selectively in these offerings, investing in attractively valued high-yielding credits such as Egypt. International Monetary Fund (IMF)-led fiscal reforms have thus far been implemented successfully in the country.

Overall, the Fund maintained a bias towards high-yield issuers. Within this sub-sector, new investments were initiated in Cameroon and Senegal during the year.

The Fund increased its position in Turkey during the year. The political background remains uncertain, and there are questions over the country's monetary policy, but current valuations appear to fully discount these concerns.

Elsewhere, in spite of some recent underperformance, a sizeable investment in Argentina is maintained. Anticipated economic reforms initiated by the government will close the valuation discount between Argentinean bonds and other Latin American credits, in our view.

### Outlook

The macro-economic environment remains broadly favourable for the asset class, with a reasonable level of economic growth globally and subdued inflation. Against this background, we believe investors will continue to support emerging market (EM) Debt, particularly since EM current accounts have improved significantly since 2013.

Markets are focused on central bank policy, most notably in the US and Continental Europe. In both cases, there is scope for expansive monetary policies to be reined in. Some volatility in financial markets could follow as the timing of these actions becomes clearer.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	1.9	5.9	5.0	14.3	-	-	17.2
Benchmark return %	1.6	5.6	5.0	16.7	-	-	21.7
Sector return %	2.7	7.1	5.6	0.3	-	-	(0.6)
Quartile ranking	3	3	3	1	-	-	1

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	2.6	8.8	(0.5)	7.6	(0.3)

*Benchmark: JP Morgan EMBI Global Diversified GBP Hedged.*

*Sector: Global Emerging Markets Bond Average.*

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

# First State Emerging Markets Bond Fund

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
		% of Fund	Stock name	% of Fund
Russian Foreign Bond - Eurobond 4.875% 16/09/2023	1.88		Dominican Republic International Bond 5.5% 27/01/2025	1.64
Ukraine Government International Bond 7.75% 01/09/2019	1.62		Uruguay Government International Bond 5.1% 18/06/2050	1.52
Philippine Government International Bond 7.75% 14/01/2031	1.51		Turkey Government International Bond 4.875% 16/04/2043	1.47
Lebanon Government International Bond 5.45% 28/11/2019	1.30		CNOOC Finance 2013 3% 09/05/2023	1.41
Panama Government International Bond 4% 22/09/2024	1.29		Costa Rica Government International Bond 7.158% 12/03/2045	1.32
Israel Electric 5% 12/11/2024	1.22		Croatia Government International Bond 6.375% 24/03/2021	1.26
Egypt Government International Bond 6.125% 31/01/2022	1.17		Vietnam Government International Bond 4.8% 19/11/2024	1.26
Instituto Costarricense de Electricidad 6.95% 10/11/2021	1.17		Ecuador Government International Bond 10.5% 24/03/2020	1.21
Peruvian Government International Bond 5.625% 18/11/2050	1.15		Sri Lanka Government International Bond 5.875% 25/07/2022	1.18
Republic of Serbia International Bond 4.875% 25/02/2020	1.08		Argentine Republic Government International Bond 7.5% 22/04/2026	1.16

### Types of shares

Income and Accumulation.

# First State Emerging Markets Bond Fund

## Portfolio Statement

as at 31 July 2017

Nominal Values	Market Value £'000	Total Net Assets %
<b>IRELAND (2.01%*)</b>		
USD 750,000 Vnesheconombank Via VEB Finance 6.8% 22/11/2025	635	0.73
<b>NETHERLANDS (2.50%*)</b>		
USD 500,000 Petrobras Global Finance 5.375% 27/01/2021	391	0.45
USD 150,000 Petrobras Global Finance 8.375% 23/05/2021	129	0.15
USD 550,000 Petrobras Global Finance 6.125% 17/01/2022	440	0.50
USD 700,000 Petrobras Global Finance 4.375% 20/05/2023	516	0.59
USD 309,375 Republic of Angola Via Northern Lights III 7% 17/08/2019	244	0.28
<b>HONG KONG (1.41%*)</b>		
USD 1,200,000 CNOOC Finance 2013 3% 09/05/2023	910	1.04
<b>INDIA (0.39%*)</b>		
<b>INDONESIA (6.08%*)</b>		
USD 700,000 Indonesia Government International Bond 3.75% 25/04/2022	551	0.63
USD 600,000 Indonesia Government International Bond 5.875% 15/01/2024	523	0.60
USD 600,000 Indonesia Government International Bond 5.125% 15/01/2045	496	0.57
USD 400,000 Indonesia Government International Bond 5.95% 08/01/2046	368	0.42
USD 680,000 Indonesia Government International Bond 5.25% 08/01/2047	573	0.65
USD 200,000 Lembaga Pembiayaan Ekspor Indonesia 3.875% 06/04/2024	155	0.18
USD 200,000 Pelabuhan Indonesia II 4.25% 05/05/2025	155	0.18
USD 500,000 Pertamina Persero 5.25% 23/05/2021	412	0.47
USD 475,000 Pertamina Persero 6% 03/05/2042	399	0.46
USD 800,000 Perusahaan Gas Negara Persero 5.125% 16/05/2024	659	0.75
USD 400,000 Perusahaan Penerbit SBSN Indonesia III 4.55% 29/03/2026	320	0.37
USD 700,000 Perusahaan Penerbit SBSN Indonesia III 4.15% 29/03/2027	544	0.62
<b>MALAYSIA (0.91%*)</b>		
<b>PAKISTAN (1.19%*)</b>		
USD 600,000 Pakistan Government International Bond 6.75% 03/12/2019	478	0.55
<b>PHILIPPINES (1.75%*)</b>		
USD 1,200,000 Philippine Government International Bond 7.75% 14/01/2031	1,322	1.51
USD 500,000 Philippine Government International Bond 3.7% 01/03/2041	382	0.44
<b>SRI LANKA (2.63%*)</b>		
USD 400,000 Sri Lanka Government International Bond 5.125% 11/04/2019	312	0.36
USD 1,100,000 Sri Lanka Government International Bond 5.75% 18/01/2022	876	1.00
USD 1,100,000 Sri Lanka Government International Bond 5.875% 25/07/2022	878	1.00
USD 350,000 Sri Lanka Government International Bond 6.125% 03/06/2025	277	0.32
USD 400,000 Sri Lanka Government International Bond 6.825% 18/07/2026	329	0.38
USD 200,000 Sri Lanka Government International Bond 6.2% 11/05/2027	157	0.18
<b>VIETNAM (1.26%*)</b>		
USD 900,000 Vietnam Government International Bond 4.8% 19/11/2024	721	0.82
<b>ANGOLA (0.00%*)</b>		
USD 400,000 Angolan Government International Bond 9.5% 12/11/2025	324	0.37
<b>ARMENIA (0.81%*)</b>		
USD 800,000 Republic of Armenia International Bond 6% 30/09/2020	641	0.73
<b>AZERBAIJAN (2.08%*)</b>		
USD 400,000 Republic of Azerbaijan International Bond 4.75% 18/03/2024	307	0.35
USD 700,000 Southern Gas Corridor 6.875% 24/03/2026	586	0.67
USD 500,000 State Oil Co of the Azerbaijan Republic 4.75% 13/03/2023	375	0.43
<b>BAHRAIN (0.00%*)</b>		
USD 250,000 Bahrain Government International Bond 6.125% 05/07/2022	200	0.23

# First State Emerging Markets Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Nominal Values	Market Value £'000	Total Net Assets %
<b>CAMEROON (0.00%*)</b>		
USD 200,000 Republic of Cameroon International Bond 9.5% 19/11/2025	179	0.20
<b>CROATIA (2.52%*)</b>		
USD 950,000 Croatia Government International Bond 6.375% 24/03/2021	806	0.92
USD 700,000 Croatia Government International Bond 5.5% 04/04/2023	592	0.68
USD 700,000 Croatia Government International Bond 6% 26/01/2024	608	0.69
<b>EGYPT (1.34%*)</b>		
USD 450,000 African Export-Import Bank 4% 24/05/2021	347	0.40
USD 300,000 African Export-Import Bank 4.125% 20/06/2024	227	0.26
USD 520,000 Egypt Government International Bond 5.75% 29/04/2020	410	0.47
USD 1,300,000 Egypt Government International Bond 6.125% 31/01/2022	1,022	1.17
USD 300,000 Egypt Government International Bond 5.875% 11/06/2025	226	0.26
USD 600,000 Egypt Government International Bond 7.5% 31/01/2027	491	0.56
USD 100,000 Egypt Government International Bond 6.875% 30/04/2040	73	0.08
USD 700,000 Egypt Government International Bond 8.5% 31/01/2047	580	0.66
<b>GABON (0.79%*)</b>		
USD 800,000 Gabon Government International Bond 6.375% 12/12/2024	597	0.68
<b>GEORGIA (0.69%*)</b>		
USD 1,000,000 Georgia Government International Bond 6.875% 12/04/2021	850	0.97
<b>GHANA (0.11%*)</b>		
USD 300,000 Ghana Government International Bond 9.25% 15/09/2022	249	0.28
USD 400,000 Ghana Government International Bond 10.75% 14/10/2030	379	0.43
<b>HUNGARY (3.03%*)</b>		
USD 800,000 Hungary Government International Bond 5.375% 21/02/2023	683	0.78
USD 650,000 Hungary Government International Bond 7.625% 29/03/2041	750	0.86
<b>ISRAEL (0.93%*)</b>		
USD 1,300,000 Israel Electric 5% 12/11/2024	1,064	1.22
<b>IVORY COAST (1.52%*)</b>		
USD 500,000 Ivory Coast Government International Bond 5.375% 23/07/2024	372	0.43
USD 300,000 Ivory Coast Government International Bond 6.125% 15/06/2033	224	0.26
<b>KAZAKHSTAN (2.69%*)</b>		
USD 1,100,000 Kazakhstan Government International Bond 3.875% 14/10/2024	859	0.98
USD 800,000 Kazakhstan Government International Bond 4.875% 14/10/2044	615	0.70
USD 400,000 Kazakhstan Government International Bond 6.5% 21/07/2045	367	0.42
USD 971,000 KazMunayGas National 7% 05/05/2020	808	0.92
USD 450,000 KazMunayGas National 4.75% 19/04/2027	341	0.39
USD 450,000 KazMunayGas National 5.75% 19/04/2047	329	0.38
<b>KENYA (0.87%*)</b>		
USD 600,000 Kenya Government International Bond 5.875% 24/06/2019	468	0.53
<b>LEBANON (2.56%*)</b>		
USD 1,500,000 Lebanon Government International Bond 5.45% 28/11/2019	1,138	1.30
USD 500,000 Lebanon Government International Bond 6% 27/01/2023	375	0.43
USD 200,000 Lebanon Government International Bond 6.65% 22/04/2024	154	0.18
USD 500,000 Lebanon Government International Bond 7.25% 23/03/2037	382	0.44
<b>MOROCCO (0.51%*)</b>		
USD 250,000 Morocco Government International Bond 4.25% 11/12/2022	201	0.23
USD 300,000 Morocco Government International Bond 5.5% 11/12/2042	255	0.29
<b>NAMIBIA (0.27%*)</b>		
USD 400,000 Namibia International Bonds 5.5% 03/11/2021	329	0.38

# First State Emerging Markets Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Nominal Values		Market Value £'000	Total Net Assets %
<b>NIGERIA (0.46%*)</b>		<b>493</b>	<b>0.56</b>
USD 400,000	Nigeria Government International Bond 6.75% 28/01/2021	325	0.37
USD 200,000	Nigeria Government International Bond 7.875% 16/02/2032	168	0.19
<b>OMAN (0.00%*)</b>		<b>1,274</b>	<b>1.45</b>
USD 200,000	Oman Government International Bond 3.875% 08/03/2022	153	0.17
USD 800,000	Oman Government International Bond 4.75% 15/06/2026	606	0.69
USD 250,000	Oman Government International Bond 5.375% 08/03/2027	197	0.23
USD 400,000	Oman Government International Bond 6.5% 08/03/2047	318	0.36
<b>ROMANIA (1.72%*)</b>		<b>241</b>	<b>0.28</b>
USD 250,000	Romanian Government International Bond 6.125% 22/01/2044	241	0.28
<b>RUSSIA (2.22%*)</b>		<b>2,163</b>	<b>2.47</b>
USD 2,000,000	Russian Foreign Bond - Eurobond 4.875% 16/09/2023	1,648	1.88
USD 600,000	Russian Foreign Bond - Eurobond 5.875% 16/09/2043	515	0.59
<b>SAUDI ARABIA (0.00%*)</b>		<b>338</b>	<b>0.39</b>
USD 450,000	Saudi Government International Bond 2.375% 26/10/2021	338	0.39
<b>SENEGAL (0.00%*)</b>		<b>242</b>	<b>0.28</b>
USD 310,000	Senegal Government International Bond 6.25% 23/05/2033	242	0.28
<b>SERBIA (2.35%*)</b>		<b>1,487</b>	<b>1.69</b>
USD 1,200,000	Republic of Serbia International Bond 4.875% 25/02/2020	949	1.08
USD 250,000	Republic of Serbia International Bond 7.25% 28/09/2021	219	0.25
USD 408,746	Republic of Serbia International Bond 6.75% 01/11/2024	319	0.36
<b>SLOVENIA (0.15%*)</b>		<b>174</b>	<b>0.20</b>
USD 200,000	Slovenia Government International Bond 5.5% 26/10/2022	174	0.20
<b>SOUTH AFRICA (2.36%*)</b>		<b>1,803</b>	<b>2.06</b>
USD 550,000	Eskom Holdings 5.75% 26/01/2021	421	0.48
USD 550,000	Eskom Holdings SOC 7.125% 11/02/2025	425	0.49
USD 250,000	Republic of South Africa Government International Bond 4.665% 17/01/2024	194	0.22
USD 750,000	Republic of South Africa Government International Bond 5.875% 16/09/2025	620	0.71
USD 200,000	Republic of South Africa Government International Bond 5% 12/10/2046	143	0.16
<b>TUNISIA (0.00%*)</b>		<b>293</b>	<b>0.33</b>
USD 400,000	Banque Centrale de Tunisie International Bond 5.75% 30/01/2025	293	0.33
<b>TURKEY (2.92%*)</b>		<b>4,341</b>	<b>4.95</b>
USD 280,000	Export Credit Bank of Turkey 5.375% 08/02/2021	221	0.25
USD 400,000	TC Ziraat Bankasi 5.125% 03/05/2022	308	0.35
USD 1,150,000	Turkey Government International Bond 5.125% 25/03/2022	917	1.05
USD 1,050,000	Turkey Government International Bond 5.75% 22/03/2024	847	0.97
USD 400,000	Turkey Government International Bond 4.25% 14/04/2026	292	0.33
USD 350,000	Turkey Government International Bond 4.875% 09/10/2026	265	0.30
USD 500,000	Turkey Government International Bond 6% 25/03/2027	410	0.47
USD 500,000	Turkey Government International Bond 6% 14/01/2041	393	0.45
USD 450,000	Turkey Government International Bond 4.875% 16/04/2043	309	0.35
USD 500,000	Turkey Government International Bond 5.75% 11/05/2047	379	0.43

# First State Emerging Markets Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Nominal Values		Market Value £'000	Total Net Assets %
<b>UKRAINE (3.14%*)</b>		<b>3,290</b>	<b>3.75</b>
USD 1,790,000	Ukraine Government International Bond 7.75% 01/09/2019	1,417	1.62
USD 500,000	Ukraine Government International Bond 7.75% 01/09/2020	396	0.45
USD 450,000	Ukraine Government International Bond 7.75% 01/09/2021	354	0.40
USD 100,000	Ukraine Government International Bond 7.75% 01/09/2022	78	0.09
USD 600,000	Ukraine Government International Bond 7.75% 01/09/2027	448	0.51
USD 750,000	Ukreximbank Via Biz Finance 9.625% 27/04/2022	597	0.68
<b>ZAMBIA (0.28%*)</b>		<b>379</b>	<b>0.44</b>
USD 300,000	Zambia Government International Bond 5.375% 20/09/2022	217	0.25
USD 200,000	Zambia Government International Bond 8.5% 14/04/2024	162	0.19
<b>ARGENTINA (6.63%*)</b>		<b>4,653</b>	<b>5.31</b>
USD 680,000	Argentina Bonar Bonds 8.75% 07/05/2024	585	0.67
USD 500,000	Argentina Bonar Bonds 7.625% 18/04/2037	384	0.44
USD 1,080,000	Argentine Republic Government International Bond 6.875% 22/04/2021	881	1.01
USD 500,000	Argentine Republic Government International Bond 5.625% 26/01/2022	389	0.44
USD 900,000	Argentine Republic Government International Bond 6.875% 26/01/2027	703	0.80
USD 560,815	Argentine Republic Government International Bond 8.28% 31/12/2033	464	0.53
USD 410,000	Argentine Republic Government International Bond 7.125% 06/07/2036	307	0.35
USD 530,000	Argentine Republic Government International Bond 2.5% 31/12/2038	262	0.30
USD 400,000	Argentine Republic Government International Bond 7.125% 28/06/2117	275	0.31
USD 3,525,000	Argentine Republic Government International Bond FRN 0% 15/12/2035	248	0.28
USD 200,000	Provincia de Buenos Aires/Argentina 6.5% 15/02/2023	155	0.18
<b>BERMUDA (0.73%*)</b>		<b>558</b>	<b>0.64</b>
USD 700,000	Bermuda Government International Bond 4.138% 03/01/2023	558	0.64
<b>BRAZIL (3.23%*)</b>		<b>3,035</b>	<b>3.46</b>
USD 400,000	Banco Nacional de Desenvolvimento Economico e Social 4.75% 09/05/2024	301	0.34
USD 750,000	Brazil Minas SPE via State of Minas Gerais 5.333% 15/02/2028	569	0.65
BRL 1,500,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	373	0.43
BRL 1,371,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2027	334	0.38
USD 296,000	Brazilian Government International Bond 6% 07/04/2026	247	0.28
USD 650,000	Brazilian Government International Bond 5.625% 07/01/2041	485	0.55
USD 400,000	Brazilian Government International Bond 5% 27/01/2045	271	0.31
USD 580,000	Vale Overseas 4.375% 11/01/2022	455	0.52
<b>CHILE (0.34%*)</b>		<b>537</b>	<b>0.61</b>
USD 200,000	Corp Nacional del Cobre de Chile 4.5% 01/08/2047	151	0.17
USD 200,000	Empresa de Transporte de Pasajeros Metro 5% 25/01/2047	166	0.19
USD 290,000	Empresa Nacional del Petroleo 3.75% 05/08/2026	220	0.25
<b>COLOMBIA (2.97%*)</b>		<b>2,306</b>	<b>2.64</b>
USD 1,000,000	Colombia Government International Bond 4.375% 12/07/2021	812	0.93
USD 550,000	Colombia Government International Bond 2.625% 15/03/2023	410	0.47
USD 320,000	Colombia Government International Bond 4% 26/02/2024	253	0.29
USD 400,000	Colombia Government International Bond 4.5% 28/01/2026	324	0.37
USD 400,000	Colombia Government International Bond 6.125% 18/01/2041	353	0.40
USD 200,000	Colombia Government International Bond 5% 15/06/2045	154	0.18
<b>COSTA RICA (3.31%*)</b>		<b>1,863</b>	<b>2.14</b>
USD 700,000	Costa Rica Government International Bond 4.25% 26/01/2023	521	0.60
USD 400,000	Costa Rica Government International Bond 7.158% 12/03/2045	322	0.37
USD 1,250,000	Instituto Costarricense de Electricidad 6.95% 10/11/2021	1,020	1.17

# First State Emerging Markets Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Nominal Values		Market Value £'000	Total Net Assets %
<b>DOMINICAN REPUBLIC (4.07%*)</b>		<b>2,175</b>	<b>2.49</b>
USD 900,000	Dominican Republic International Bond 6.6% 28/01/2024	759	0.87
USD 560,000	Dominican Republic International Bond 5.5% 27/01/2025	448	0.51
USD 400,000	Dominican Republic International Bond 6.875% 29/01/2026	346	0.40
USD 750,000	Dominican Republic International Bond 6.85% 27/01/2045	622	0.71
<b>ECUADOR (1.21%*)</b>		<b>1,523</b>	<b>1.74</b>
USD 1,000,000	Ecuador Government International Bond 10.5% 24/03/2020	806	0.92
USD 200,000	Ecuador Government International Bond 8.75% 02/06/2023	152	0.17
USD 350,000	Ecuador Government International Bond 7.95% 20/06/2024	254	0.29
USD 400,000	Ecuador Government International Bond 9.625% 02/06/2027	311	0.36
<b>EL SALVADOR (0.00%*)</b>		<b>877</b>	<b>1.01</b>
USD 225,000	El Salvador Government International Bond 7.75% 24/01/2023	173	0.20
USD 225,000	El Salvador Government International Bond 5.875% 30/01/2025	154	0.18
USD 175,000	El Salvador Government International Bond 6.375% 18/01/2027	120	0.14
USD 280,000	El Salvador Government International Bond 8.625% 28/02/2029	218	0.25
USD 300,000	El Salvador Government International Bond 7.65% 15/06/2035	212	0.24
<b>GUATEMALA (0.67%*)</b>		<b>840</b>	<b>0.96</b>
USD 500,000	Guatemala Government Bond 4.5% 03/05/2026	386	0.44
USD 600,000	Guatemala Government Bond 4.375% 05/06/2027	454	0.52
<b>JAMAICA (1.83%*)</b>		<b>1,152</b>	<b>1.32</b>
USD 500,000	Jamaica Government International Bond 7.625% 09/07/2025	445	0.51
USD 500,000	Jamaica Government International Bond 6.75% 28/04/2028	434	0.50
USD 300,000	Jamaica Government International Bond 7.875% 28/07/2045	273	0.31
<b>MEXICO (6.32%*)</b>		<b>6,062</b>	<b>6.94</b>
USD 400,000	Mexico City Airport Trust 4.25% 31/10/2026	311	0.35
USD 1,000,000	Mexico Government International Bond 3.6% 30/01/2025	777	0.89
USD 700,000	Mexico Government International Bond 4.6% 23/01/2046	525	0.60
USD 150,000	Mexico Government International Bond 5.75% 12/10/2110	120	0.14
USD 300,000	Petroleos Mexicanos 5.5% 21/01/2021	244	0.28
USD 570,000	Petroleos Mexicanos 4.875% 24/01/2022	452	0.52
USD 150,000	Petroleos Mexicanos 5.375% 13/03/2022	122	0.14
USD 600,000	Petroleos Mexicanos 3.5% 30/01/2023	447	0.51
USD 300,000	Petroleos Mexicanos 4.25% 15/01/2025	226	0.26
USD 400,000	Petroleos Mexicanos 4.5% 23/01/2026	302	0.35
USD 800,000	Petroleos Mexicanos 6.5% 13/03/2027	669	0.76
USD 850,000	Petroleos Mexicanos 6.5% 02/06/2041	665	0.76
USD 830,000	Petroleos Mexicanos 6.375% 23/01/2045	637	0.73
USD 350,000	Petroleos Mexicanos 5.625% 23/01/2046	245	0.28
USD 400,000	Petroleos Mexicanos 6.75% 21/09/2047	320	0.37
<b>PANAMA (0.96%*)</b>		<b>1,433</b>	<b>1.64</b>
USD 1,400,000	Panama Government International Bond 4% 22/09/2024	1,129	1.29
USD 400,000	Panama Government International Bond 4.3% 29/04/2053	304	0.35
<b>PARAGUAY (0.14%*)</b>		<b>553</b>	<b>0.63</b>
USD 700,000	Paraguay Government International Bond 4.7% 27/03/2027	553	0.63
<b>PERU (0.95%*)</b>		<b>1,008</b>	<b>1.15</b>
USD 1,080,000	Peruvian Government International Bond 5.625% 18/11/2050	1,008	1.15
<b>TRINIDAD AND TOBAGO (0.13%*)</b>		<b>302</b>	<b>0.34</b>
USD 400,000	Trinidad & Tobago Government International Bond 4.5% 04/08/2026	302	0.34

# First State Emerging Markets Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Nominal Values		Market Value £'000	Total Net Assets %
<b>URUGUAY (2.79%*)</b>			
UYU 3,400,000	Uruguay Government International Bond 9.875% 20/06/2022	1,550	1.77
		97	0.11
USD 600,000	Uruguay Government International Bond 4.375% 27/10/2027	489	0.56
USD 200,000	Uruguay Government International Bond 7.875% 15/01/2033	210	0.24
USD 960,000	Uruguay Government International Bond 5.1% 18/06/2050	754	0.86
<b>VENEZUELA (2.40%*)</b>			
USD 284,000	Petroleos de Venezuela 8.5% 27/10/2020	1,187	1.36
		143	0.16
USD 800,000	Petroleos de Venezuela 6% 16/05/2024	202	0.23
USD 1,145,000	Petroleos de Venezuela 5.375% 12/04/2027	285	0.33
USD 200,000	Venezuela Government International Bond 7.75% 13/10/2019	66	0.08
USD 350,000	Venezuela Government International Bond 8.25% 13/10/2024	103	0.12
USD 1,205,000	Venezuela Government International Bond 9.25% 15/09/2027	388	0.44
<b>VIRGIN ISLANDS (0.00%*)</b>			
USD 450,000	Sinopec Group Overseas Development 2013 2.5% 17/10/2018	843	0.96
		345	0.39
USD 650,000	Sinopec Group Overseas Development 2015 2.5% 28/04/2020	498	0.57
<b>DERIVATIVES ((0.03%*))</b>			
<b>Euro</b>			
	Bought EUR36,117,462 for USD41,413,654 Settlement 04/08/2017	736	0.84
	Bought EUR13,832,735 for USD15,861,139 Settlement 04/08/2017	282	0.32
	Bought EUR3,410,681 for USD3,910,816 Settlement 04/08/2017	70	0.08
	Bought EUR761,638 for USD873,323 Settlement 04/08/2017	16	0.02
	Bought EUR284,469 for USD326,183 Settlement 04/08/2017	6	0.01
	Bought EUR87,657 for USD100,521 Settlement 04/08/2017	2	-
	Bought EUR72,663 for USD83,318 Settlement 04/08/2017	2	-
	Bought EUR16,538 for USD18,890 Settlement 04/08/2017	1	-
	Bought EUR32,120 for USD37,038 Settlement 04/08/2017	1	-
	Bought EUR104 for USD119 Settlement 04/08/2017	-	-
	Bought EUR12,634 for USD14,483 Settlement 04/08/2017	-	-
	Bought EUR12,962 for USD15,100 Settlement 04/08/2017	-	-
	Bought EUR14,666 for USD17,170 Settlement 04/08/2017	-	-
	Bought EUR18,450 for USD21,275 Settlement 04/08/2017	-	-
	Bought EUR30,363 for USD35,544 Settlement 04/08/2017	-	-
	Bought EUR38,927 for USD45,365 Settlement 04/08/2017	-	-
	Bought EUR4,998 for USD5,731 Settlement 04/08/2017	-	-
	Bought EUR40,814 for USD47,546 Settlement 04/08/2017	-	-
	Bought EUR409 for USD471 Settlement 04/08/2017	-	-
	Bought EUR5,827 for USD6,707 Settlement 04/08/2017	-	-
	Bought EUR6,627 for USD7,717 Settlement 04/08/2017	-	-
	Bought EUR6,679 for USD7,820 Settlement 04/08/2017	-	-
	Bought EUR7,695 for USD8,771 Settlement 04/08/2017	-	-
	Bought EUR70 for USD81 Settlement 04/08/2017	-	-
	Bought EUR8,604 for USD10,026 Settlement 04/08/2017	-	-
	Bought EUR8,625 for USD9,891 Settlement 04/08/2017	-	-
	Bought EUR9 for USD10 Settlement 04/08/2017	-	-
<b>US Dollar</b>			
	Bought USD12,185 for GBP9,311 Settlement 04/08/2017	-	-
	Bought USD13 for GBP10 Settlement 04/08/2017	-	-
	Bought USD14,284 for GBP10,941 Settlement 04/08/2017	-	-
	Bought USD18,277 for GBP13,982 Settlement 04/08/2017	-	-
	Bought USD20 for GBP15 Settlement 04/08/2017	-	-
	Bought USD3,503 for EUR3,006 Settlement 04/08/2017	-	-
	Bought USD3,522 for EUR3,090 Settlement 04/08/2017	-	-

# First State Emerging Markets Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

	Market Value £'000	Total Net Assets %
Bought USD5,005 for GBP3,857 Settlement 04/08/2017	-	-
Bought USD6,149 for GBP4,677 Settlement 04/08/2017	-	-
Bought USD70 for GBP55 Settlement 04/08/2017	-	-
Bought USD705 for GBP536 Settlement 04/08/2017	-	-
Bought USD83 for GBP64 Settlement 04/08/2017	-	-
Bought USD27,450 for EUR23,736 Settlement 04/08/2017	(1)	-
Sold USD14,842,215 for GBP11,534,474 Settlement 04/08/2017	226	0.26
Sold USD7,547,684 for GBP5,865,605 Settlement 04/08/2017	115	0.13
Sold USD612,207 for GBP475,770 Settlement 04/08/2017	9	0.01
Sold USD114,940 for GBP89,325 Settlement 04/08/2017	2	-
Sold USD149,640 for GBP116,291 Settlement 04/08/2017	2	-
Sold USD45,867 for GBP35,434 Settlement 04/08/2017	1	-
Sold USD56,075 for GBP43,578 Settlement 04/08/2017	1	-
Sold USD228,337 for GBP174,483 Settlement 04/08/2017	1	-
Sold USD1 for GBP0 Settlement 04/08/2017	-	-
Sold USD1,172 for GBP911 Settlement 04/08/2017	-	-
Sold USD11,101 for GBP8,585 Settlement 04/08/2017	-	-
Sold USD12,029 for GBP9,228 Settlement 04/08/2017	-	-
Sold USD13 for GBP10 Settlement 04/08/2017	-	-
Sold USD13,588 for GBP10,446 Settlement 04/08/2017	-	-
Sold USD13,670 for GBP10,488 Settlement 04/08/2017	-	-
Sold USD14,344 for GBP11,081 Settlement 04/08/2017	-	-
Sold USD14,680 for GBP11,244 Settlement 04/08/2017	-	-
Sold USD15,914 for GBP12,369 Settlement 04/08/2017	-	-
Sold USD2,459 for GBP1,900 Settlement 04/08/2017	-	-
Sold USD3,603 for GBP2,740 Settlement 04/08/2017	-	-
Sold USD3,870 for GBP2,993 Settlement 04/08/2017	-	-
Sold USD32,086 for GBP24,667 Settlement 04/08/2017	-	-
Sold USD4,048 for GBP3,120 Settlement 04/08/2017	-	-
Sold USD4,759 for GBP3,698 Settlement 04/08/2017	-	-
Sold USD48,366 for GBP37,101 Settlement 04/08/2017	-	-
Sold USD5,261 for GBP4,029 Settlement 04/08/2017	-	-
Sold USD5,566 for GBP4,326 Settlement 04/08/2017	-	-
Sold USD50,367 for GBP38,579 Settlement 04/08/2017	-	-
Sold USD54 for GBP41 Settlement 04/08/2017	-	-
Sold USD58,661 for GBP45,022 Settlement 04/08/2017	-	-
Sold USD65 for GBP50 Settlement 04/08/2017	-	-
Sold USD7,442 for GBP5,700 Settlement 04/08/2017	-	-
Sold USD7,488 for GBP5,745 Settlement 04/08/2017	-	-
Sold USD74 for GBP57 Settlement 04/08/2017	-	-
Sold USD8,113 for GBP6,227 Settlement 04/08/2017	-	-
Sold USD9,706 for GBP7,480 Settlement 04/08/2017	-	-
<b>Portfolio of investments<sup>^</sup></b>	<b>84,382</b>	<b>96.44</b>
<b>Net other assets</b>	<b>3,117</b>	<b>3.56</b>
<b>Total net assets</b>	<b>87,499</b>	<b>100.00</b>

All holdings represent securities quoted on a Listed Securities Market, unless otherwise stated.

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

Stocks shown as FRNs represent Floating-Rate Notes - debt instruments that pay a floating-rate of interest, usually based on an accepted market benchmark rate such as LIBOR.

\* Comparative figures shown in brackets relate to 31 July 2016.

<sup>^</sup> Including derivative liabilities.

# First State Emerging Markets Bond Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Hedged Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	129.40	118.91	119.58
Return before operating charges*	6.04	13.75	2.33
Operating charges	(1.90)	(1.94)	(1.84)
Return after operating charges*	4.14	11.81	0.49
Distributions	(7.43)	(6.59)	(5.79)
Retained distributions on accumulation shares	6.68	5.27	4.63
Closing net asset value per share (p)	132.79	129.40	118.91
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	3.20%	9.93%	0.41%
<b>Other information</b>			
Closing net asset value (£'000)	496	499	7,456
Closing number of shares	373,183	385,956	6,270,282
Operating charges	1.46%	1.62%	1.54%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	133.78	130.66	122.88
Lowest share price	124.47	115.41	114.60

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Hedged Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	107.48	103.19	107.93
Return before operating charges*	5.54	10.36	0.98
Operating charges	(1.62)	(1.56)	(1.58)
Return after operating charges*	3.92	8.80	(0.60)
Distributions	(6.13)	(4.51)	(4.14)
Closing net asset value per share (p)	105.27	107.48	103.19
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	3.65%	8.53%	(0.56)%
<b>Other information</b>			
Closing net asset value (£'000)	131	130	7,158
Closing number of shares	124,660	121,172	6,936,157
Operating charges	1.51%	1.50%	1.48%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	111.54	111.12	108.99
Lowest share price	103.89	98.92	103.41

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Hedged Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	112.54	102.75	102.80
Return before operating charges*	4.97	12.03	1.95
Operating charges	(1.12)	(1.10)	(1.01)
Return after operating charges*	3.85	10.93	0.94
Distributions	(6.46)	(5.71)	(4.98)
Retained distributions on accumulation shares	5.81	4.57	3.98
Closing net asset value per share (p)	115.74	112.54	102.75
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	3.42%	10.64%	0.91%
<b>Other information</b>			
Closing net asset value (£'000)	12,110	7,504	11,898
Closing number of shares	10,463,080	6,667,484	11,580,050
Operating charges	0.99%	1.06%	0.98%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	116.52	113.63	106.02
Lowest share price	108.16	100.05	98.72

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Hedged Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	98.03	93.32	97.04
Return before operating charges*	4.45	9.56	0.84
Operating charges	(0.83)	(0.74)	(0.83)
Return after operating charges*	3.62	8.82	0.01
Distributions	(5.58)	(4.11)	(3.73)
Closing net asset value per share (p)	96.07	98.03	93.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	3.69%	9.45%	0.01%
<b>Other information</b>			
Closing net asset value (£'000)	6,272	2,860	3,197
Closing number of shares	6,528,473	2,917,026	3,425,636
Operating charges	0.85%	0.78%	0.86%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	101.16	101.29	98.21
Lowest share price	94.41	89.78	93.25

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Hedged Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	126.09	117.30	118.59
Return before operating charges*	4.83	11.75	1.59
Operating charges	(1.80)	(1.69)	(1.73)
Return after operating charges*	3.03	10.06	(0.14)
Distributions	(7.18)	(6.36)	(5.78)
Retained distributions on accumulation shares	6.45	5.09	4.62
Closing net asset value per share (c)	128.39	126.09	117.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	2.40%	8.58%	(0.12)%
<b>Other information</b>			
Closing net asset value (€'000)	3,600	4,346	9,261
Closing number of shares	2,803,616	3,446,768	7,894,809
Operating charges	1.42%	1.44%	1.45%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	129.94	127.44	121.54
Lowest share price	120.98	113.60	113.36

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Hedged Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	101.04	101.88	107.00
Return before operating charges*	3.79	7.85	0.52
Operating charges	(1.42)	(1.40)	(1.51)
Return after operating charges*	2.37	6.45	(0.99)
Distributions	(5.70)	(7.29)	(4.13)
Closing net asset value per share (c)	97.71	101.04	101.88
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	2.35%	6.33%	(0.93)%
<b>Other information</b>			
Closing net asset value (€'000)	5	1	7,378
Closing number of shares	5,309	1,380	7,241,956
Operating charges	1.42%	1.43%	1.42%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	104.21	107.22	108.05
Lowest share price	97.04	97.39	102.33

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Hedged Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	104.49	100.71	105.11
Return before operating charges*	3.86	8.92	0.45
Operating charges	(0.81)	(0.80)	(0.78)
Return after operating charges*	3.05	8.12	(0.33)
Distributions	(5.90)	(4.34)	(4.07)
Closing net asset value per share (c)	101.64	104.49	100.71
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	2.92%	8.06%	(0.31)%
<b>Other information</b>			
Closing net asset value (€'000)	36,936	22,409	17,459
Closing number of shares	36,341,459	21,447,097	17,335,793
Operating charges	0.78%	0.78%	0.77%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	107.76	108.06	106.21
Lowest share price	100.49	96.59	100.79

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)
<b>Share class B Gross Hedged Accumulation (EUR share class)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	110.92	100.00
Return before operating charges*	4.23	11.59
Operating charges	(0.87)	(0.67)
Return after operating charges*	3.36	10.92
Distributions	(6.35)	(4.78)
Retained distributions on accumulation shares	6.35	4.78
Closing net asset value per share (c)	114.28	110.92
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges (%)	3.03%	10.92%
<b>Other information</b>		
Closing net asset value (€'000)	14,387	8,616
Closing number of shares	12,590,050	7,768,227
Operating charges	0.77%	0.77%
Direct transaction costs	-%	-%
<b>Prices</b>		
Highest share price	115.16	112.02
Lowest share price	107.10	98.75

Share class B Gross Hedged Accumulation (EUR share class) was launched on 1 October 2015.

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	111.24	101.99	102.24
Return before operating charges*	7.06	11.08	1.47
Operating charges	(0.79)	(0.71)	(0.73)
Return after operating charges*	6.27	10.37	0.74
Distributions	(9.10)	(5.62)	(4.94)
Retained distributions on accumulation shares	8.46	4.50	3.95
Closing net asset value per share (c)	116.87	111.24	101.99
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	5.64%	10.17%	0.72%
<b>Other information</b>			
Closing net asset value (\$'000)	-	3,264	34,779
Closing number of shares	50	2,934,087	34,101,037
Operating charges	0.70%	0.71%	0.71%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	117.35	112.34	105.13
Lowest share price	92.77	99.34	98.01

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Gross Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	108.39	98.44	100.00
Return before operating charges*	6.24	10.66	(1.40)
Operating charges	(0.77)	(0.71)	(0.16)
Return after operating charges*	5.47	9.95	(1.56)
Distributions	(6.26)	(5.40)	(1.00)
Retained distributions on accumulation shares	6.26	5.40	1.00
Closing net asset value per share (c)	113.86	108.39	98.44
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	5.05%	10.11%	(1.56)%
<b>Other information</b>			
Closing net asset value (\$'000)	25,443	100,154	29,548
Closing number of shares	22,346,517	92,402,104	30,016,931
Operating charges	0.70%	0.69%	0.72%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	114.33	109.43	100.46
Lowest share price	105.18	96.25	98.14

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class Z Gross Hedged Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	112.85	100.67	100.00
Return before operating charges*	5.90	12.36	0.78
Operating charges	(0.15)	(0.18)	(0.11)
Return after operating charges*	5.75	12.18	0.67
Distributions	(7.04)	(2.38)	(3.66)
Retained distributions on accumulation shares	7.04	2.38	3.66
Closing net asset value per share (p)	118.60	112.85	100.67
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	5.10%	12.10%	0.67%
<b>Other information</b>			
Closing net asset value (£'000)	-	-	101
Closing number of shares	50	50	100,295
Operating charges	0.16%	0.17%	0.15%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	119.06	113.94	103.33
Lowest share price	109.52	98.71	95.75

# First State Emerging Markets Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class Z Gross Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	112.03	100.51	100.00
Return before operating charges*	7.81	11.63	0.58
Operating charges	(0.15)	(0.11)	(0.07)
Return after operating charges*	7.66	11.52	0.51
Distributions	(7.97)	(18.39)	(3.66)
Retained distributions on accumulation shares	7.97	18.39	3.66
Closing net asset value per share (c)	119.69	112.03	100.51
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges (%)	6.84%	11.46%	0.51%
<b>Other information</b>			
Closing net asset value (\$'000)	-	-	160
Closing number of shares	50	50	160,035
Operating charges	0.10%	0.11%	0.09%
Direct transaction costs	-%	-%	-%
<b>Prices</b>			
Highest share price	120.17	113.00	103.13
Lowest share price	109.20	98.49	95.67

# First State Emerging Markets Bond Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		1,794		19,222
Revenue	3	5,221		5,496	
Expenses	4	(729)		(791)	
Interest payable and similar charges		(4)		(4)	
<b>Net revenue before taxation</b>		<b>4,488</b>		<b>4,701</b>	
Taxation	5	-		(1)	
<b>Net revenue after taxation</b>			<b>4,488</b>		<b>4,700</b>
<b>Total return before distributions</b>			<b>6,282</b>		<b>23,922</b>
Distribution	6		(5,217)		(5,491)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,065</b>		<b>18,431</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>119,298</b>		<b>95,253</b>
Amounts receivable on issue of shares	36,580		69,013	
Less: Amounts payable on cancellation of shares	(72,134)		(67,685)	
		(35,554)		1,328
Dilution adjustment		260		132
Change in net assets attributable to shareholders from investment activities		1,065		18,431
Retained distribution on accumulation shares		2,430		4,154
<b>Closing net assets attributable to shareholders</b>		<b>87,499</b>		<b>119,298</b>

Notes to the Financial Statements are on pages 189 to 196.

# First State Emerging Markets Bond Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>84,383</u>	<u>113,612</u>
<b>Current assets</b>			
Debtors	8	1,467	2,328
Cash and bank balances		<u>3,956</u>	<u>4,582</u>
<b>Total assets</b>		<u><b>89,806</b></u>	<u><b>120,522</b></u>
<b>Liabilities</b>			
Investment liabilities		(1)	(110)
<b>Creditors</b>			
Bank overdrafts		-	(6)
Distribution payable		(1,118)	(730)
Other creditors	9	<u>(1,188)</u>	<u>(378)</u>
<b>Total liabilities</b>		<u><b>(2,307)</b></u>	<u><b>(1,224)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>87,499</b></u></u>	<u><u><b>119,298</b></u></u>

*Notes to the Financial Statements are on pages 189 to 196.*

# First State Emerging Markets Bond Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	(161)	21,152
Forward foreign exchange currency contracts	2,395	(2,385)
Currency (losses)/gains	(440)	455
Net capital gains	<u>1,794</u>	<u>19,222</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Interest from bank deposits	1	-
Interest from government and fixed-interest securities	5,128	5,549
Currency hedge gains/(losses)	92	(53)
Total revenue	<u>5,221</u>	<u>5,496</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>577</u>	<u>634</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>14</u>	<u>15</u>
<b>Other expenses:</b>		
Audit fee	16	15
Registrar fees	29	34
Safe custody charges	7	7
Other expenses	<u>86</u>	<u>86</u>
	<u>138</u>	<u>142</u>
Total expenses	<u>729</u>	<u>791</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
(a) <b>Analysis of charge in year:</b>		
Irrecoverable overseas tax	-	1
(b) <b>Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	4,488	4,701
Corporation tax of 20% (2016: 20%)	898	940
<b>Effects of:</b>		
Irrecoverable overseas tax	-	1
Tax-deductible interest distributions	(898)	(940)
Total tax charge for year (note 5a)	-	1

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

(c) **Deferred taxation:**

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

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	1,915	1,842
Final distribution	2,442	3,210
Income tax withheld	233	468
	4,590	5,520
Add: revenue deducted on cancellation of shares	1,159	554
Deduct: revenue received on issue of shares	(532)	(583)
Net distributions for the year	5,217	5,491

*Details of the distribution per share are set out in the Distribution Tables on pages 197 to 199.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	4,488	4,700
Expenses charged to capital	729	791
Net distributions for the year	5,217	5,491

Notes to the Financial Statements

(continued)

as at 31 July 2017

8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	345
Amounts receivable for issue of shares	462	489
Accrued revenue	1,005	1,494
<b>Total debtors</b>	<b>1,467</b>	<b>2,328</b>

9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	148	152
Amounts payable for cancellation of shares	908	108
Accrued expenses	132	118
<b>Total creditors</b>	<b>1,188</b>	<b>378</b>

10. Portfolio transaction costs

There were no transactions costs incurred during the year to 31 July 2017 (31/7/16: £nil).

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Bonds	75,165	89,528	105,306	84,209
Trades in the year before transaction costs	75,165	89,528	105,306	84,209
<b>Commissions</b>				
Bonds	-	-	-	-
<b>Taxes</b>				
Bonds	-	-	-	-
<b>Total costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net trades in the year after transaction costs</b>	<b>75,165</b>	<b>89,528</b>	<b>105,306</b>	<b>84,209</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Bonds	-	-	-	-
<b>Taxes</b>				
Bonds	-	-	-	-

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

	31 July 2017	31 July 2016
	%	%
Commissions	-	-
Taxes	-	-
<b>Total costs</b>	<b>-</b>	<b>-</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.63% (31/07/2016: 0.72%).

as at 31 July 2017

#### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

#### 12. Derivatives and other financial instruments

##### (a) General

In pursuing its investment objectives, the Fund holds fixed-interest securities.

The Fund invests principally in fixed-interest securities. Certain fixed-interest securities are liable to default risk whereby the nominal capital is not or is unlikely to be returned to investors. The value of fixed-interest stocks is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual fixed-interest stock or be caused by a general market factor (such as government policy or the health of the underlying economy), which can affect the entire portfolio.

Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

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

The Fund enters into transactions in financial instruments that expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

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

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

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

##### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£8,291,010) (31/07/16: £11,354,666).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(b) Interest-rate risk*

The Fund receives revenue from fixed-interest investments. Given that the fund's objective is to achieve a total investment return from income and capital appreciation, these cash flows are considered to be of primary importance and are actively managed.

As at 31 July 2017, 99.28% (31 July 2016: 99.02%) of the Fund's assets were interest-bearing.

The interest-rate risk profile of the Company's financial assets and liabilities at 31 July 2017 was:

Currency	Floating-rate financial assets £'000	Fixed-rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31 July 2017</b>				
Sterling	37	-	575	612
Brazilian real	-	707	6	713
Euro	134	-	83	217
Russian ruble	3	-	(1)	2
Uruguayan peso	-	97	1	98
US dollar	4,033	81,858	(34)	85,857
Total	4,207	82,662	630	87,499
<b>31 July 2016</b>				
Sterling	(785)	-	(6)	(791)
Euro	222	-	35	257
US dollar	4,360	113,547	1,925	119,832
Total	3,797	113,547	1,954	119,298*

\*The comparative figures for 2016 have been restated to correct prior year disclosure.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the First State Emerging Markets Bond Fund would be an increase or decrease of approximately £217,172 (31/07/16: £295,307).

If foreign exchange rates increase by 100bps, the impact to the fund would be -4.65% (31/07/16: -4.93%). A decrease of 100bps would result in an impact to the fund of 4.94% (31/07/16: 5.20%).

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets 31 July 2017 Total £'000	Net foreign currency assets 31 July 2016 Total £'000
Brazilian real	713	-
Euro	217	257
Russian ruble	2	-
Uruguayan peso	98	-
US dollar	85,857	119,832
Total	86,887	120,089

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.97% (£4,344,344) (31/07/16: 5.03% (£6,004,473)).

as at 31 July 2017

(d) *Credit risk*

Credit risk occurs where there is a risk associated with the uncertainty of a counterparty's ability to meet its obligations. This risk is managed by reviewing the counterparty's credit rating, at the time of purchase and on an ongoing basis, and ensuring that the portfolio is sufficiently diversified. The impact of movements in credit rating and spread, and their effect on market prices, is considered to be part of market-price risk, which is discussed above.

The Fund's investments and cash are held on its behalf by State Street Bank and Trust Company (acting as agent), the custodian to the Trust, and its appointed sub-custodians. Bankruptcy or insolvency of the custodian or its sub-custodians may cause the Fund's rights with respect to securities to be delayed. This risk is managed through ongoing monitoring of the custodian and periodic reviews of its procedures for selecting and monitoring sub custodians, together with ad hoc reviews of custodian and sub custodian credit ratings.

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the fund has fulfilled its responsibilities.

The Investment Adviser selects acceptable counterparties through which investments are bought and sold. The Manager has responsibility for monitoring the process by which these counterparties are selected to minimise risk.

Where the Investment Managers make an investment in a bond with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question. The risk is managed by reviewing the credit ratings of those bonds at time of purchase and on an ongoing basis.

**Summary of Investment Assets by Credit Ratings**

**Rating Block**

	31 July 2017 £'000	31 July 2016 £'000
Investment-grade bonds	29,273	35,620
Non-investment-grade bonds	53,253	73,799
Unrated bonds	384	4,128
<b>Total bonds</b>	<b>82,910</b>	<b>113,547</b>
<b>Other</b>	<b>4,589</b>	<b>5,751</b>
<b>Net assets</b>	<b>87,499</b>	<b>119,298</b>

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

(e) *Derivative risk*

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the period end, as the sensitivity analysis or value at risk are not significant, no additional disclosure has been shown.

**Effective Portfolio Management**

**Financial derivative instruments exposure as at 31 July 2017**

Forward foreign currency contracts (Hedging)	1,472,164
<b>Total financial derivative instruments exposure</b>	<b>1,472,164</b>

**Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2017**

State Street Bank and Trust Company	1,472,164
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as at 31 July 2017

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £46,963 (31/07/16: £58,807) due at the year end.

As at 31 July 2017, First State Investments Services (UK) Limited, a related party of the ACD, owned 0.13% (31/07/16: 0.19%) of the net asset value of the Fund.

**Material Shareholders**

Clearstream Banking S.A, Raiffeisen Bank International AG, Transact Nominees Limited and FundSettle EOC Nominees Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 42.9%, 18.5%, 14% and 13.3% of the Fund's shares in issue respectively.

**14. Share classes**

The Fund has twelve share classes in issue.

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

	%
Share class A Hedged Accumulation (Institutional):	1.25
Share class A Hedged Income (Institutional):	1.25
Share class B Hedged Accumulation (Institutional):	0.60
Share class B Hedged Income:	0.60
Share class A Hedged Accumulation (EUR share class):	1.25
Share class A Hedged Income (EUR share class):	1.25
Share class B Hedged Income (EUR share class):	0.60
Share class B Gross Hedged Accumulation (EUR share class):	0.60
Share class B Accumulation (USD share class) (Institutional):	0.60
Share class B Gross Accumulation (USD share class):	0.60
Share class Z Gross Hedged Accumulation:	-
Share class Z Gross Accumulation (USD share class):	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 175 to 186.

The distributions per share class are given in the Distribution Tables on pages 197 to 199.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Hedged Accumulation (Institutional):	385,956	189,660	(190,772)	(11,661)	373,183
Share class A Hedged Income (Institutional):	121,172	111,266	(92,556)	(15,222)	124,660
Share class B Hedged Accumulation (Institutional):	6,667,484	4,830,077	(1,038,439)	3,958	10,463,080
Share class B Hedged Income	2,917,026	4,195,258	(611,494)	27,683	6,528,473
Share class A Hedged Accumulation (EUR share class)	3,446,768	1,231,759	(1,874,911)	-	2,803,616
Share class A Hedged Income (EUR share class)	1,380	8,968	(5,039)	-	5,309
Share class B Hedged Income (EUR share class)	21,447,097	15,644,915	(750,553)	-	36,341,459
Share class B Gross Hedged Accumulation (EUR share class)	7,768,227	9,348,629	(4,526,806)	-	12,590,050
Share class B Accumulation (USD share class) (Institutional):	2,934,087	-	(2,934,037)	-	50
Share class B Gross Accumulation (USD share class)	92,402,104	3,520,062	(73,575,649)	-	22,346,517
Share class Z Gross Hedged Accumulation	50	-	-	-	50
Share class Z Gross Accumulation (USD share class)	50	-	-	-	50

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	-	-	-	-
Level 2	84,383	(1)	113,612	(110)
Level 3	-	-	-	-
Total fair value	<u>84,383</u>	<u>(1)</u>	<u>113,612</u>	<u>(110)</u>

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

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

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

# First State Emerging Markets Bond Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

All share classes pay distributions gross of tax from 1 February 2017.

### Share class A Hedged Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	3.7428	0.7486	2.9942	-	2.9942	2.2681
Final	3.6918	-	3.6918	-	3.6918	3.0049
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	2.3274	0.4655	1.8619	1.1323	2.9942	2.2681
Final	2.5102	-	2.5102	1.1816	3.6918	3.0049

### Share class A Hedged Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	3.1193	0.6239	2.4954	-	2.4954	1.9640
Final	3.0101	-	3.0101	-	3.0101	2.5470
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.8013	0.1603	0.6410	1.8544	2.4954	1.9640
Final	1.1496	-	1.1496	1.8605	3.0101	2.5470

### Share class B Hedged Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	3.2519	0.6504	2.6015	-	2.6015	1.9602
Final	3.2133	-	3.2133	-	3.2133	2.6110
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	1.3844	0.2769	1.1075	1.4940	2.6015	1.9602
Final	1.7037	-	1.7037	1.5096	3.2133	2.6110

### Share class B Hedged Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	2.8373	0.5675	2.2698	-	2.2698	1.7806
Final	2.7442	-	2.7442	-	2.7442	2.3260
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	0.9343	0.1869	0.7474	1.5224	2.2698	1.7806
Final	1.2337	-	1.2337	1.5105	2.7442	2.3260

# First State Emerging Markets Bond Fund

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Share class A Hedged Accumulation (EUR share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	3.6453	0.7291	2.9162	-	2.9162	2.1988
Final	3.5384	-	3.5384	-	3.5384	2.8894
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	1.6216	0.3243	1.2973	1.6189	2.9162	2.1988
Final	1.9778	-	1.9778	1.5606	3.5384	2.8894

### Share class A Hedged Income (EUR share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	2.9386	0.5877	2.3509	-	2.3509	1.9062
Final	2.7618	-	2.7618	-	2.7618	5.3832
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	2.4538	0.4908	1.9630	0.3879	2.3509	1.9062
Final	1.5790	-	1.5790	1.1828	2.7618	5.3832

### Share class B Hedged Income (EUR share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	3.0269	0.6054	2.4215	-	2.4215	1.8906
Final	2.8770	-	2.8770	-	2.8770	2.4475
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	0.6261	0.1252	0.5009	1.9206	2.4215	1.8906
Final	1.3471	-	1.3471	1.5299	2.8770	2.4475

### Share class B Gross Hedged Accumulation (EUR share class)

			Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1			(c)	(c)	(c)	(c)
Interim			3.2036	-	3.2036	1.6336
Final			3.1478	-	3.1478	3.1489
Group 2			(c)	(c)	(c)	(c)
Interim			0.3550	2.8486	3.2036	1.6336
Final			1.7982	1.3496	3.1478	3.1489

### Share class B Accumulation (USD share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	3.2218	0.6444	2.5774	-	2.5774	1.9489
Final	5.8795	-	5.8795	-	5.8795	2.5469
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	3.2218	0.6444	2.5774	-	2.5774	1.9489
Final	5.8795	-	5.8795	-	5.8795	2.5469

# First State Emerging Markets Bond Fund

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Share class B Gross Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	3.1358	-	3.1358	2.3118
Final	3.1234	-	3.1234	3.0853
Group 2	(c)	(c)	(c)	(c)
Interim	1.3902	1.7456	3.1358	2.3118
Final	1.9151	1.2083	3.1234	3.0853

### Share class Z Gross Hedged Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	3.3600	-	3.3600	2.3797
Final	3.6800	-	3.6800	-
Group 2	(p)	(p)	(p)	(p)
Interim	3.3600	-	3.3600	2.3797
Final	3.6800	-	3.6800	-

### Share class Z Gross Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	3.8800	-	3.8800	2.3660
Final	4.0946	-	4.0946	16.0200
Group 2	(c)	(c)	(c)	(c)
Interim	3.8800	-	3.8800	2.3660
Final	4.0946	-	4.0946	16.0200

# First State Emerging Markets Local Currency Bond Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve an investment return from income and capital appreciation.

The Fund primarily invests in local-denominated debt securities issued or guaranteed by governments, financial institutions or companies in emerging markets and in related derivatives.

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

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

In order to achieve the investment objective and policy, the Fund may use derivatives for both investment and efficient portfolio management purposes.

- Clarification point: This Fund follows the relative VaR approach to calculating Global Exposure. The benchmark is J.P. Morgan Government Bond Index - Emerging Markets Global Diversified Index, and the VaR on this Fund shall not exceed twice the benchmark's VaR. Leverage for this Fund is calculated using the Sum of Notionals Approach and is not expected to exceed 200%. Leverage may, however, in certain circumstances, exceed such maximum figure.

### Risks and reward profile

	← Lower Risk				Higher Risk →		
	Potentially Lower Rewards				Potentially Higher Rewards		
Share class B Income	1	2	3	4	5	6	7
Share class B Income (GBP share class)	1	2	3	4	5	6	7
Share class B Hedged Income (GBP share class)	1	2	3	4	5	6	7
Share class B Hedged Income (EUR share class)	1	2	3	4	5	6	7
Share class Z Gross Accumulation	1	2	3	4	5	6	7

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

The Fund might also experience the following risks:

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

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

**Interest-rate risk:** interest rates affect the Fund's investments. If rates go up, the value of investments fall and vice versa.

**Credit risk:** the issuers of bonds or similar investments that the Fund buys may not pay income or repay capital to the Fund when due.

**Derivative risk:** the use of derivatives may result in gains or losses that are greater than an investment in the underlying asset.

**Currency hedged share class risk:** hedging transactions are designed to reduce currency risk for investors. There is no guarantee that the hedging will be totally successful or that it can eliminate currency risk entirely.

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

# First State Emerging Markets Local Currency Bond Fund

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

### Performance

The Fund rose by 7.0% in USD terms over the year to 31 July 2017.

### Portfolio changes

The Fund maintains significant exposure to Latin America. A large position continues to be held in Brazil, for example, where interest rates have been reduced. We will continue to monitor the market closely, as there appears to be limited scope for further significant interest rate reductions.

Elsewhere, exposure to South African bonds has been increased. We believe the South African Reserve Bank could initiate a rate-cutting cycle as a reaction to very weak domestic economic developments and moderating inflation.

The Fund also remains well diversified in Asia. Indonesian bonds are among those most favoured, as they are expected to benefit from supportive fiscal policy and a program of structural reform. In particular, there appears to be a commitment to prioritise infrastructure spending ahead of the 2019 elections.

### Outlook

Inflows into the asset class should continue to be supported by economic growth rates in emerging markets, which should continue to outpace those in developed regions. Global interest rate increases that are more gradual than was previously anticipated should also support sentiment towards high-yielding securities. The Fund continues to be positioned for anticipated movements in emerging market currencies, as well as bond markets.

The main risks are that inflationary pressures increase globally, requiring more aggressive interest rate increases in key regions. We will also be watching for further signs of slowdown in the Chinese economy, where last year's credit boost to growth seems to be waning following a strong first quarter.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	3.8	10.1	7.0	(7.2)	-	-	(2.3)
Benchmark return %	4.6	10.2	8.0	(5.3)	-	-	0.4
Sector return %	2.7	7.1	5.6	0.3	-	-	6.8
Quartile ranking	2	1	2	3	-	-	3

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	7.0	2.9	(15.7)	-	-

Benchmark: JPM GBI-EM Global Diversified USD TR.

Sector: Global Emerging Markets Bond Average.

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

### Ten largest holdings

Stock name	31 July 2017 % of Fund	Stock name	31 July 2016 % of Fund
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	8.65	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2019	5.19
Turkey Government Bond 7.4% 05/02/2020	5.20	Colombia Global Depository Note 7% 11/09/2019	4.44
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2019	5.20	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	4.23
Argentina POM Politica Monetaria 26.25% 21/06/2020	4.58	Thailand Government Bond 3.625% 16/06/2023	3.44
South Africa Government Bond 10.5% 21/12/2026	3.27	Indonesia Treasury Bond 10.5% 15/08/2030	3.41
Colombia Global Depository Note 10% 24/07/2024	3.16	Malaysia Government Bond 3.795% 30/09/2022	3.37
Indonesia Treasury Bond 10.5% 15/08/2030	2.93	Colombia Global Depository Note 10% 24/07/2024	3.34
Russian Federal Bond - OFZ 7% 25/01/2023	2.53	Indonesia Treasury Bond 8.375% 15/09/2026	3.27
Malaysia Government Bond 3.759% 15/03/2019	2.49	South Africa Government Bond 10.5% 21/12/2026	3.17
Indonesia Treasury Bond 9% 15/03/2029	2.40	Turkey Government Bond 10.5% 15/01/2020	3.07

### Types of shares

Income and Accumulation.

# First State Emerging Markets Local Currency Bond Fund

## Portfolio Statement

as at 31 July 2017

Nominal Values		Market Value \$'000	Total Net Assets %
<b>INDONESIA (12.00%*)</b>		<b>2,897</b>	<b>7.67</b>
IDR 4,000,000,000	Indonesia Treasury Bond 8.375% 15/09/2026	324	0.86
IDR10,700,000,000	Indonesia Treasury Bond 9% 15/03/2029	909	2.40
IDR11,785,000,000	Indonesia Treasury Bond 10.5% 15/08/2030	1,106	2.93
IDR7,000,000,000	Indonesia Treasury Bond 8.25% 15/05/2036	558	1.48
<b>MALAYSIA (9.35%*)</b>		<b>2,566</b>	<b>6.80</b>
MYR4,000,000	Malaysia Government Bond 3.759% 15/03/2019	940	2.49
MYR3,000,000	Malaysia Government Bond 3.795% 30/09/2022	698	1.85
MYR1,700,000	Malaysia Government Bond 4.736% 15/03/2046	393	1.04
MYR2,250,000	Malaysia Government Investment Issue 4.39% 07/07/2023	535	1.42
<b>THAILAND (6.25%*)</b>		<b>1,428</b>	<b>3.78</b>
THB21,175,000	Thailand Government Bond 3.625% 16/06/2023	691	1.83
THB20,000,000	Thailand Government Bond 4.875% 22/06/2029	737	1.95
<b>HUNGARY (6.41%*)</b>		<b>533</b>	<b>1.41</b>
HUF64,180,000	Hungary Government Bond 3.5% 24/06/2020	267	0.71
HUF70,000,000	Hungary Government Bond 3% 27/10/2027	266	0.70
<b>POLAND (5.88%*)</b>		<b>2,912</b>	<b>7.71</b>
PLN1,700,000	Poland Government Bond 3.25% 25/07/2019	482	1.28
PLN1,800,000	Poland Government Bond 5.25% 25/10/2020	544	1.44
PLN2,000,000	Poland Government Bond 1.75% 25/07/2021	537	1.42
PLN1,760,000	Poland Government Bond 4% 25/10/2023	516	1.37
PLN3,000,000	Poland Government Bond 3.25% 25/07/2025	833	2.20
<b>ROMANIA (1.41%*)</b>		-	-
<b>RUSSIA (4.13%*)</b>		<b>2,413</b>	<b>6.39</b>
RUB50,000,000	Russian Federal Bond - OFZ 6.4% 27/05/2020	799	2.12
RUB60,000,000	Russian Federal Bond - OFZ 7% 25/01/2023	957	2.53
RUB27,000,000	Russian Federal Bond - OFZ 8.15% 03/02/2027	463	1.23
RUB11,000,000	Russian Federal Bond - OFZ 8.5% 17/09/2031	194	0.51
<b>SOUTH AFRICA (10.22%*)</b>		<b>4,318</b>	<b>11.43</b>
ZAR4,500,000	South Africa Government Bond 7.25% 15/01/2020	342	0.90
ZAR7,200,000	South Africa Government Bond 6.75% 31/03/2021	535	1.41
ZAR14,500,000	South Africa Government Bond 10.5% 21/12/2026	1,235	3.27
ZAR6,076,899	South Africa Government Bond 8% 31/01/2030	422	1.12
ZAR4,391,404	South Africa Government Bond 7% 28/02/2031	276	0.73
ZAR7,000,000	South Africa Government Bond 9% 31/01/2040	490	1.30
ZAR11,500,000	South Africa Government Bond 6.5% 28/02/2041	611	1.62
ZAR6,000,000	South Africa Government Bond 8.75% 28/02/2048	407	1.08
<b>TURKEY (11.03%*)</b>		<b>5,437</b>	<b>14.40</b>
TRY3,000,000	Turkey Government Bond 6.3% 14/02/2018	827	2.19
TRY1,600,000	Turkey Government Bond 10.4% 27/03/2019	448	1.19
TRY3,000,000	Turkey Government Bond 10.5% 15/01/2020	844	2.24
TRY7,500,000	Turkey Government Bond 7.4% 05/02/2020	1,964	5.20
TRY600,000	Turkey Government Bond 9.5% 12/01/2022	164	0.43
TRY2,500,000	Turkey Government Bond 7.1% 08/03/2023	611	1.62
TRY2,200,000	Turkey Government Bond 8.8% 27/09/2023	579	1.53
<b>ARGENTINA (0.00%*)</b>		<b>1,728</b>	<b>4.58</b>
ARS30,000,000	Argentina POM Politica Monetaria 26.25% 21/06/2020	1,728	4.58

# First State Emerging Markets Local Currency Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Nominal Values		Market Value \$'000	Total Net Assets %
<b>BRAZIL (10.73%*)</b>		<b>6,380</b>	<b>16.90</b>
BRL6,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2019	1,963	5.20
BRL10,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	3,266	8.65
BRL1,600,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	513	1.36
BRL2,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2027	638	1.69
<b>COLOMBIA (7.78%*)</b>		<b>2,068</b>	<b>5.48</b>
COP1,000,000,000	Colombia Global Depository Note 7% 11/09/2019	342	0.91
COP3,000,000,000	Colombia Global Depository Note 10% 24/07/2024	1,193	3.16
COP1,500,000,000	Colombian TES 7.75% 18/09/2030	533	1.41
<b>MEXICO (6.22%*)</b>		<b>1,860</b>	<b>4.93</b>
MXN10,000,000	Mexican Bonos 6.5% 09/06/2022	557	1.48
MXN7,000,000	Mexican Bonos 10% 05/12/2024	466	1.24
MXN5,000,000	Mexican Bonos 7.75% 29/05/2031	299	0.79
MXN9,000,000	Mexican Bonos 7.75% 13/11/2042	538	1.42
<b>PERU (2.48%*)</b>		<b>866</b>	<b>2.29</b>
PEN2,543,000	Peru Government Bond 6.95% 12/08/2031	866	2.29
<b>URUGUAY (0.00%*)</b>		<b>176</b>	<b>0.47</b>
UYU4,700,000	Uruguay Government International Bond 9.875% 20/06/2022	176	0.47
<b>DERIVATIVES (-0.44%*)</b>		<b>571</b>	<b>1.50</b>
<b>Interest Rate Swap</b>			
350,000,000	Citibank Interest Rate Swap Pay HUF BUBOR Rec HUF 1.13% 14/07/2021	11	0.03
25,000,000	HSBC Interest Rate Swap Pay MXN TIIE Rec MXN 7.68% 13/07/2020	32	0.08
7,000,000	HSBC Interest Rate Swap Pay MXN TIIE Rec MXN 6.25% 09/02/2027	(25)	(0.07)
9,000,000	HSBC Interest Rate Swap Pay MXN TIIE Rec MXN 6.42% 03/03/2027	(25)	(0.07)
3,500,000	Citibank Interest Rate Swap Rec PLN WIBOR Pay PLN 2.03% 24/04/2020	-	-
<b>Forward Currency Contracts</b>			
<b>Argentine Peso</b>			
	Bought ARS28,000,000 for USD1,680,672 Settlement 08/09/2017	(142)	(0.38)
	Sold ARS28,000,000 for USD1,682,692 Settlement 08/09/2017	144	0.38
<b>Brazilian Real</b>			
	Sold BRL5,000,000 for USD1,494,197 Settlement 08/09/2017	(91)	(0.24)
<b>Colombian Peso</b>			
	Bought COP3,100,000,000 for USD1,028,141 Settlement 08/09/2017	-	-
	Sold COP1,100,000,000 for USD372,124 Settlement 08/09/2017	7	0.02
<b>Czech Koruna</b>			
	Bought CZK50,000,000 for EUR1,871,255 Settlement 12/09/2017	55	0.15
	Bought CZK33,000,000 for EUR1,241,764 Settlement 16/01/2018	33	0.09
<b>Egyptian Pound</b>			
	Bought EGP7,420,000 for USD400,000 Settlement 20/09/2017	8	0.02
<b>Euro</b>			
	Bought EUR7,121,003 for USD8,165,213 Settlement 04/08/2017	190	0.50
	Bought EUR3,000,000 for USD3,455,674 Settlement 05/09/2017	70	0.20
	Bought EUR300,071 for RON1,381,000 Settlement 03/11/2017	(2)	(0.01)
	Bought EUR618,886 for CZK16,500,000 Settlement 16/01/2018	(19)	(0.05)
<b>Hungarian Forint</b>			
	Bought HUF310,000,000 for EUR1,008,022 Settlement 08/09/2017	12	0.03
<b>Indonesian Rupiah</b>			
	Bought IDR11,500,000,000 for USD858,478 Settlement 08/09/2017	2	0.01

# First State Emerging Markets Local Currency Bond Fund

## Portfolio Statement

(continued)

as at 31 July 2017

	Market Value \$'000	Total Net Assets %
<b>Mexican Peso</b>		
Bought MXN60,000,000 for USD3,256,934 Settlement 08/09/2017	94	0.25
<b>New Romanian Leu</b>		
Bought RON6,000,000 for EUR1,309,587 Settlement 03/11/2017	4	0.01
<b>Philippine Peso</b>		
Sold PHP60,000,000 for USD1,206,176 Settlement 08/09/2017	20	0.05
<b>Polish Zloty</b>		
Bought PLN2,991,000 for EUR707,405 Settlement 08/09/2017	(7)	(0.02)
<b>Pound Sterling</b>		
Bought GBP7,223,821 for USD9,295,396 Settlement 04/08/2017	186	0.49
<b>Russian Ruble</b>		
Bought RUB32,454,500 for USD543,089 Settlement 08/09/2017	(7)	(0.02)
Sold RUB42,361,384 for USD729,958 Settlement 08/09/2017	31	0.08
<b>Singapore Dollar</b>		
Sold SGD1,500,000 for USD1,085,004 Settlement 08/09/2017	(21)	(0.06)
<b>South African Rand</b>		
Sold ZAR16,815,785 for USD1,273,932 Settlement 08/09/2017	1	-
<b>South Korean Won</b>		
Sold KRW1,000,000,000 for USD890,076 Settlement 08/09/2017	(2)	(0.01)
<b>Thai Baht</b>		
Bought THB49,000,000 for USD1,439,493 Settlement 08/09/2017	33	0.09
<b>Turkish Lira</b>		
Bought TRY1,332,500 for USD371,256 Settlement 08/09/2017	2	0.01
Sold TRY6,431,000 for USD1,779,557 Settlement 08/09/2017	(23)	(0.06)
<b>Portfolio of investments<sup>^</sup></b>	<b>36,153</b>	<b>95.74</b>
<b>Net other assets</b>	<b>1,608</b>	<b>4.26</b>
<b>Total net assets</b>	<b>37,761</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

Any derivative contracts were traded on an eligible derivatives exchange.

\* Comparative figures shown in brackets relate to 31 July 2016.

<sup>^</sup> Including derivative liabilities.

# First State Emerging Markets Local Currency Bond Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	81.04	82.91	103.24
Return before operating charges*	6.84	2.93	(15.03)
Operating charges	(0.78)	(0.78)	(0.94)
Return after operating charges*	6.06	2.15	(15.97)
Distributions	(5.55)	(4.02)	(4.36)
Closing net asset value per share (c)	81.55	81.04	82.91
* after direct transaction costs of:	-	-	(0.02)
<b>Performance</b>			
Return after charges (%)	7.48%	2.59%	(15.47)%
<b>Other information</b>			
Closing net asset value (\$'000)	9,679	9,016	8,666
Closing number of shares	11,868,622	11,125,160	10,451,360
Operating charges	0.97%	0.98%	0.99%
Direct transaction costs	-%	-%	(0.03)%
<b>Prices</b>			
Highest share price	84.90	85.17	103.73
Lowest share price	75.23	73.38	85.17

# First State Emerging Markets Local Currency Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income (GBP share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	101.41	87.80	100.85
Return before operating charges*	9.24	19.34	(7.36)
Operating charges	(1.02)	(0.88)	(1.00)
Return after operating charges*	8.22	18.46	(8.36)
Distributions	(7.15)	(4.85)	(4.69)
Closing net asset value per share (p)	102.48	101.41	87.80
* after direct transaction costs of:	-	-	(0.02)
<b>Performance</b>			
Return after charges (%)	8.11%	21.03%	(8.29)%
<b>Other information</b>			
Closing net asset value (£'000)	7,573	7,144	5,701
Closing number of shares	7,390,235	7,044,149	6,492,608
Operating charges	0.97%	0.98%	1.00%
Direct transaction costs	-%	-%	(0.03)%
<b>Prices</b>			
Highest share price	112.26	106.95	107.15
Lowest share price	98.25	82.21	90.12

# First State Emerging Markets Local Currency Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Hedged Income (GBP share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	81.32	84.39	101.69
Return before operating charges*	6.14	1.88	(11.84)
Operating charges	(0.83)	(0.84)	(1.01)
Return after operating charges*	5.31	1.04	(12.85)
Distributions	(5.58)	(4.11)	(4.45)
Closing net asset value per share (p)	81.05	81.32	84.39
* after direct transaction costs of:	-	-	(0.02)
<b>Performance</b>			
Return after charges (%)	6.53%	1.23%	(12.64)%
<b>Other information</b>			
Closing net asset value (£'000)	7,274	5,618	5,400
Closing number of shares	8,974,053	6,908,082	6,397,787
Operating charges	1.03%	1.05%	1.05%
Direct transaction costs	-%	-%	(0.03)%
<b>Prices</b>			
Highest share price	84.96	85.48	103.87
Lowest share price	75.51	73.82	85.48

# First State Emerging Markets Local Currency Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Hedged Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	79.73	87.44	105.55
Return before operating charges*	4.88	(2.87)	(12.40)
Operating charges	(0.81)	(0.82)	(1.05)
Return after operating charges*	4.07	(3.69)	(13.45)
Distributions	(5.40)	(4.02)	(4.66)
Closing net asset value per share (c)	78.40	79.73	87.44
* after direct transaction costs of:	-	-	(0.03)
<b>Performance</b>			
Return after charges (%)	5.10%	(4.22)%	(12.74)%
<b>Other information</b>			
Closing net asset value (€'000)	7,243	6,902	6,703
Closing number of shares	9,238,619	8,656,071	7,666,765
Operating charges	1.03%	1.04%	1.05%
Direct transaction costs	-%	-%	(0.03)%
<b>Prices</b>			
Highest share price	83.17	84.75	103.28
Lowest share price	73.59	72.88	84.75

# First State Emerging Markets Local Currency Bond Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class Z Gross Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	91.40	87.21	100.00
Return before operating charges*	8.08	4.66	(12.33)
Operating charges	(0.34)	(0.47)	(0.46)
Return after operating charges*	7.74	4.19	(12.79)
Distributions	(6.39)	(5.41)	(4.00)
Retained distributions on accumulation shares	6.39	5.41	4.00
Closing net asset value per share (c)	99.14	91.40	87.21
* after direct transaction costs of:	-	-	(0.02)
<b>Performance</b>			
Return after charges (%)	8.47%	4.80%	(12.79)%
<b>Other information</b>			
Closing net asset value (\$'000)	99	91	88
Closing number of shares	100,050	100,050	100,343
Operating charges	0.37%	0.38%	0.43%
Direct transaction costs	-%	-%	(0.03)%
<b>Prices</b>			
Highest share price	99.76	93.19	100.05
Lowest share price	85.43	77.88	87.32

Share class Z Gross Accumulation was launched on 31 October 2014.

# First State Emerging Markets Local Currency Bond Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		\$'000	\$'000	\$'000	\$'000
Income					
Net capital gains/(losses)	2		814		(1,678)
Revenue	3	2,496		2,122	
Expenses	4	(341)		(323)	
Interest payable and similar charges		(5)		-	
<b>Net revenue before taxation</b>		<b>2,150</b>		<b>1,799</b>	
Taxation	5	(73)		(57)	
<b>Net revenue after taxation</b>			<b>2,077</b>		<b>1,742</b>
<b>Total return before distributions</b>			<b>2,891</b>		<b>64</b>
Distributions	6		(2,418)		(2,065)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>473</b>		<b>(2,001)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	\$'000	\$'000	\$'000	\$'000
<b>Opening net assets attributable to shareholders</b>		<b>33,594</b>		<b>33,399</b>
Amounts receivable on issue of shares	3,842		2,196	
Less: Amounts payable on cancellation of shares	(158)		(9)	
		3,684		2,187
Dilution adjustment		4		3
Change in net assets attributable to shareholders from investment activities		473		(2,001)
Retained distribution on accumulation shares		6		6
<b>Closing net assets attributable to shareholders</b>		<b>37,761</b>		<b>33,594</b>

Notes to the Financial Statements are on pages 212 to 220.

# First State Emerging Markets Local Currency Bond Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 \$'000	31 July 2016 \$'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>36,517</u>	<u>31,704</u>
<b>Current assets</b>			
Debtors	8	655	1,079
Cash and bank balances		<u>2,344</u>	<u>2,308</u>
<b>Total assets</b>		<u><b>39,516</b></u>	<u><b>35,091</b></u>
<b>Liabilities</b>			
Investment liabilities		(364)	(311)
<b>Creditors</b>			
Distribution payable		(1,318)	(1,128)
Other creditors	9	<u>(73)</u>	<u>(58)</u>
<b>Total liabilities</b>		<u><b>(1,755)</b></u>	<u><b>(1,497)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>37,761</b></u>	<u><b>33,594</b></u>

*Notes to the Financial Statements are on pages 212 to 220.*

# First State Emerging Markets Local Currency Bond Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains/(losses)

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

	31 July 2017 \$'000	31 July 2016 \$'000
Non-derivative securities	185	244
Derivative contracts	(14)	(58)
Forward foreign exchange currency contracts	760	(1,850)
Currency losses	(117)	(14)
Net capital gains/(losses)	<u>814</u>	<u>(1,678)</u>

### 3. Revenue

	31 July 2017 \$'000	31 July 2016 \$'000
Interest from bank deposits	3	-
Interest from government and fixed-interest securities	2,522	2,149
Currency hedge losses	(35)	(29)
Swap income	6	2
Total revenue	<u>2,496</u>	<u>2,122</u>

### 4. Expenses

	31 July 2017 \$'000	31 July 2016 \$'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>210</u>	<u>196</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>5</u>	<u>7</u>
<b>Other expenses:</b>		
Audit fee	14	14
Safe custody charges	23	18
Other expenses	<u>89</u>	<u>88</u>
	<u>126</u>	<u>120</u>
Total expenses	<u>341</u>	<u>323</u>

Notes to the Financial Statements

(continued)

as at 31 July 2017

5. Taxation

	31 July 2017 \$'000	31 July 2016 \$'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	73	57
Total taxation (note 5b)	<u>73</u>	<u>57</u>

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

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:

Net revenue before taxation	2,150	1,799
Corporation tax of 20% (2016: 20%)	430	360
<b>Effects of:</b>		
Irrecoverable overseas tax	73	57
Tax-deductible interest distributions	(430)	(361)
Expenses not deductible for tax purposes	-	1
Total tax charge for year (note 5a)	<u>73</u>	<u>57</u>

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

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

**(c) Deferred taxation:**

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

6. Distributions

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

	31 July 2017 \$'000	31 July 2016 \$'000
Interim distribution	921	778
Final distribution	1,303	891
Income tax withheld	227	412
	<u>2,451</u>	<u>2,081</u>
Add: revenue deducted on cancellation of shares	4	-
Deduct: revenue received on issue of shares	(37)	(16)
Net distributions for the year	<u>2,418</u>	<u>2,065</u>

*Details of the distribution per share are set out in the Distribution Tables on pages 221 to 222.*

7. Movement between net revenue and net distributions

	31 July 2017 \$'000	31 July 2016 \$'000
Net revenue after taxation	2,077	1,742
Expenses charged to capital	341	323
Net distributions for the year	<u>2,418</u>	<u>2,065</u>

Notes to the Financial Statements

(continued)

as at 31 July 2017

8. Debtors

	31 July 2017 \$'000	31 July 2016 \$'000
Sales awaiting settlement	-	472
Accrued revenue	655	607
<b>Total debtors</b>	<b>655</b>	<b>1,079</b>

9. Creditors

	31 July 2017 \$'000	31 July 2016 \$'000
Accrued expenses	73	58
<b>Total creditors</b>	<b>73</b>	<b>58</b>

10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017 \$'000	31 July 2016 \$'000	31 July 2017 \$'000	31 July 2016 \$'000
Bonds	21,510	15,757	17,754	14,410
Swaps	2,401	9,629	2,389	9,575
<b>Trades in the year before transaction costs</b>	<b>23,911</b>	<b>25,386</b>	<b>20,143</b>	<b>23,985</b>
<b>Commissions</b>				
Bonds	-	-	-	-
Swaps	-	-	-	-
<b>Total commissions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxes</b>				
Bonds	-	-	-	(1)
Swaps	-	-	-	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Total costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Total net trades in the year after transaction costs</b>	<b>23,911</b>	<b>25,386</b>	<b>20,143</b>	<b>23,984</b>

	Purchases		Sales	
	31 July 2017 %	31 July 2016 %	31 July 2017 %	31 July 2016 %
<b>Commissions</b>				
Bonds	-	-	-	-
Swaps	-	-	-	-
<b>Taxes</b>				
Bonds	-	-	-	0.01
Swaps	-	-	-	-

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

	31 July 2017 %	31 July 2016 %
Commissions	-	-
Taxes	-	-
<b>Total costs</b>	<b>-</b>	<b>-</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.25% (31/07/2016: 0.32%).

as at 31 July 2017

#### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: \$nil) and no commitments (31/07/16: \$nil).

#### 12. Derivatives and other financial instruments

##### (a) General

In pursuing its investment objectives, the Fund holds fixed-interest securities.

The Fund invests principally in fixed-interest securities. Certain fixed-interest securities are liable to default risk whereby the nominal capital is not or is unlikely to be returned to investors. The value of fixed-interest stocks is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual fixed-interest stock or be caused by a general market factor (such as government policy or the health of the underlying economy), which can affect the entire portfolio.

Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

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

The Fund enters into transactions in financial instruments that expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

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

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

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

##### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (\$3,557,486 (31/07/16: \$3,152,714)).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(b) Interest-rate risk*

The Fund receives revenue from fixed-interest investments. Given that the fund's objective is to achieve a total investment return from income and capital appreciation, these cash flows are considered to be of primary importance and are actively managed.

As at 31 July 2017, 10.78% (31/07/16: 6.87%) of the Fund's assets were interest-bearing.

The interest-rate risk profile of the Company's financial assets and liabilities at 31 July 2017 was:

Currency	Floating- rate financial assets \$'000	Fixed-rate financial assets \$'000	Financial liabilities not carrying interest \$'000	Total \$'000
<b>31 July 2017</b>				
Sterling	68	-	9,145	9,213
Argentine peso	1,728	-	49	1,777
Brazilian real	4	6,380	(1,534)	4,850
Colombian peso	957	2,068	712	3,737
Czech Republic koruna	-	-	3,007	3,007
Egyptian pound	-	-	408	408
Euro	30	-	5,444	5,474
Hungarian forint	12	533	1,215	1,760
Indonesian rupiah	-	2,897	941	3,838
Korean won	-	-	(892)	(892)
Malaysian ringgit	-	2,566	31	2,597
Mexican peso	5	1,860	3,351	5,216
Peruvian nuevo sol	-	866	25	891
Philippine peso	-	-	(1,186)	(1,186)
Polish zloty	-	2,912	860	3,772
Romanian new leu	-	-	1,191	1,191
Russian ruble	27	2,413	(98)	2,342
Singapore dollar	-	-	(1,106)	(1,106)
South African rand	78	4,318	(1,196)	3,200
Thai baht	-	1,428	1,479	2,907
Turkish lira	-	5,437	(1,271)	4,166
Uruguayan peso	-	176	3	179
US dollar	1,163	-	(20,743)	(19,580)
<b>Total</b>	<b>4,072</b>	<b>33,854</b>	<b>(165)</b>	<b>37,761</b>

# First State Emerging Markets Local Currency Bond Fund

## Notes to the Financial Statements

(continued)

as at 31 July 2017

Currency	Floating- rate financial assets \$'000	Fixed-rate financial assets \$'000	Financial liabilities not carrying interest \$'000	Total \$'000
<b>31 July 2016</b>				
Sterling	71	-	(308)	(237)
Brazilian real	3	3,608	29	3,640
Colombian peso	1	2,613	(263)	2,351
Euro	1	-	(158)	(157)
Hungarian forint	2	2,150	(293)	1,859
Indian rupee	-	-	637	637
Indonesian rupiah	-	4,027	126	4,153
Malaysian ringgit	-	3,141	758	3,899
Mexican peso	-	2,087	1,883	3,970
Peruvian nuevo sol	-	833	(154)	679
Philippine peso	-	-	127	127
Polish zloty	1	1,976	1,399	3,376
Romanian new leu	-	473	702	1,175
Russian ruble	156	1,387	(69)	1,474
Singapore dollar	-	-	(1,480)	(1,480)
South African rand	34	3,431	85	3,550
Thai baht	-	2,100	697	2,797
Turkish lira	34	3,706	(1,045)	2,695
US dollar	2,004	-	(2,918)	(914)
<b>Total</b>	<b>2,307</b>	<b>31,532</b>	<b>(245)</b>	<b>33,594</b>

Notes to the Financial Statements

(continued)

as at 31 July 2017

(c) *Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding US dollar):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	\$'000	\$'000
Sterling	9,213	(237)
Argentine peso	1,777	-
Brazilian real	4,850	3,640
Colombian peso	3,737	2,351
Czech Republic koruna	3,007	-
Egyptian pound	408	-
Euro	5,474	(157)
Hungarian forint	1,760	1,859
Indian rupee	-	637
Indonesian rupiah	3,838	4,153
Korean won	(892)	-
Malaysian ringgit	2,597	3,899
Mexican peso	5,216	3,970
Peruvian nuevo sol	891	679
Philippine peso	(1,186)	127
Polish zloty	3,772	3,376
Romanian new leu	1,191	1,175
Russian ruble	2,342	1,474
Singapore dollar	(1,106)	(1,480)
South African rand	3,200	3,550
Thai baht	2,907	2,797
Turkish lira	4,166	2,695
Uruguayan peso	179	-
Total	<u>57,341</u>	<u>34,508</u>

(d) *Credit risk*

Credit risk occurs where there is a risk associated with the uncertainty of a counterparty's ability to meet its obligations. This risk is managed by reviewing the counterparty's credit rating, at the time of purchase and on an ongoing basis, and ensuring that the portfolio is sufficiently diversified. The impact of movements in credit rating and spread, and their effect on market prices, is considered to be part of market-price risk, which is discussed above.

The Fund's investments and cash are held on its behalf by State Street Bank and Trust Company (acting as agent), the custodian to the Trust, and its appointed sub custodians. Bankruptcy or insolvency of the custodian or its sub custodians may cause the Fund's rights with respect to securities to be delayed. This risk is managed through ongoing monitoring of the custodian and periodic reviews of its procedures for selecting and monitoring sub custodians, together with ad hoc reviews of custodian and sub custodian credit ratings.

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the fund has fulfilled its responsibilities.

The Investment Adviser selects acceptable counterparties through which investments are bought and sold. The Manager has responsibility for monitoring the process by which these counterparties are selected to minimise risk.

Where the Investment Managers make an investment in a bond with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question. The risk is managed by reviewing the credit ratings of those bonds at the time of purchase and on an ongoing basis.

Notes to the Financial Statements

(continued)

as at 31 July 2017

Summary of Investment Assets by Credit Ratings

Rating Block

	31 July 2017	31 July 2016
	\$'000	\$'000
Investment-grade bonds	27,474	25,774
Non-investment-grade bonds	6,380	5,758
Unrated bonds	1,728	-
<b>Total bonds</b>	<u>35,582</u>	<u>31,532</u>
<b>Other</b>	<u>2,179</u>	<u>2,062</u>
<b>Net assets</b>	<u><u>37,761</u></u>	<u><u>33,594</u></u>

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

(e) *Derivative risk*

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets.

Due to the level of investment in derivatives, the First State Emerging Market Local Currency Bond Fund is considered to be a sophisticated fund; for this reason, further numerical analysis has been provided in the form of a 'Value at Risk' (VaR) analysis, shown below.

It is important to note that VaR is calculated on an ex ante basis. This means that the calculations are based on the current portfolio holdings and not by reference to the volatility of the historical portfolio returns.

Relative VaR Utilisation

01 August 2016 to 31 July 2017

Low	47.19%
High	60.05%
Average	52.24%

Effective Portfolio Management

Financial derivative instruments exposure as at 31 July 2017

Forward foreign currency contracts (hedging)	23,229,526
<b>Total financial derivative instruments exposure</b>	<u><u>23,229,526</u></u>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

Efficient portfolio management techniques as at 31 July 2017

Underlying exposure obtained through efficient portfolio management techniques	<u><u>23,229,526</u></u>
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Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2017

BNP Paribas	104,444
HSBC Bank	80,987
JP Morgan Securities	(32,342)
Standard Chartered	45,155
UBS London	4,063

The counterparty exposure represents the unrealised profit or loss on the derivative contract. It is therefore a different amount to the value of the sum of the notionals.

as at 31 July 2017

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with \$19,525 (31/07/16: \$16,460) due at the year end.

As at 31 July 2017, Colonial First State Managed Infrastructure Limited, a related party of the ACD, owned 75.00% (31/07/16: 77.37%) of the net asset value of the Fund.

As at 31 July 2017, First State Investments Services (UK) Limited, a related party of the ACD, owned 0.38% (31/07/16: 0.75%) of the net asset value of the Fund.

**14. Share classes**

The Fund has five share classes in issue.

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

	%
Share class B Income (Institutional):	0.60
Share class B Income (GBP share class):	0.60
Share class B Hedged Income (GBP share class):	0.60
Share class B Hedged Income (EUR share class):	0.60
Share class Z Gross Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 205 to 209.

The distributions per share class are given in the Distribution Tables on pages 221 to 222.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class B Income	11,125,160	743,462	-	-	11,868,622
Share class B Income (GBP share class)	7,044,149	464,642	(118,556)	-	7,390,235
Share class B Hedged Income (GBP share class)	6,908,082	2,065,971	-	-	8,974,053
Share class B Hedged Income (EUR share class)	8,656,071	582,548	-	-	9,238,619
Share class Z Gross Accumulation	100,050	-	-	-	100,050

**15. Post Balance Sheet events**

The Authorised Corporate Director intends to terminate this fund within one year of the date of approval of the financial statements.

**16. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Level 1	-	-	-	-
Level 2*	36,517	(364)	31,704	(311)
Level 3	-	-	-	-
Total fair value	<u>36,517</u>	<u>(364)</u>	<u>31,704</u>	<u>(311)</u>

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

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

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

\* The comparative figures for 2016 have been restated to correct prior year disclosure.

# First State Emerging Markets Local Currency Bond Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

All share classes pay distributions gross of tax from 1 February 2017.

### Share class B Income

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	2.7428	0.5486	2.1942	-	2.1942	1.8783
Final	2.8045	-	2.8045	-	2.8045	2.1424
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	1.9053	0.3811	1.5242	0.6700	2.1942	1.8783
Final	2.0345	-	2.0345	0.7700	2.8045	2.1424

### Share class B Income (GBP share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	3.6295	0.7259	2.9036	-	2.9036	2.1657
Final	3.5241	-	3.5241	-	3.5241	2.6805
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	2.5670	0.5134	2.0536	0.8500	2.9036	2.1657
Final	2.5041	-	2.5041	1.0200	3.5241	2.6805

### Share class B Hedged Income (GBP share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)	(p)	(p)
Interim	2.7614	0.5523	2.2091	-	2.2091	1.9295
Final	2.8174	-	2.8174	-	2.8174	2.1845
Group 2	(p)	(p)	(p)	(p)	(p)	(p)
Interim	1.9239	0.3848	1.5391	0.6700	2.2091	1.9295
Final	1.9632	-	1.9632	0.8542	2.8174	2.1845

### Share class B Hedged Income (EUR share class)

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	2.6948	0.5390	2.1558	-	2.1558	1.9136
Final	2.7036	-	2.7036	-	2.7036	2.1061
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	1.8698	0.3740	1.4958	0.6600	2.1558	1.9136
Final	1.9436	-	1.9436	0.7600	2.7036	2.1061

# First State Emerging Markets Local Currency Bond Fund

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Share class Z Gross Accumulation

	Gross revenue	Income tax	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)	(c)	(c)
Interim	3.0989	-	3.0989	-	3.0989	2.4910
Final	3.2910	-	3.2910	-	3.2910	2.9177
Group 2	(c)	(c)	(c)	(c)	(c)	(c)
Interim	3.0989	-	3.0989	-	3.0989	2.4910
Final	3.2910	-	3.2910	-	3.2910	2.9177

# Stewart Investors Global Emerging Markets Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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.

- Clarification point: emerging economies are defined as countries that are not classified as a developed market by MSCI or FTSE or are categorised by the World Bank as middle or low-income or are not members of the Organisation for Economic Co-operation and Development.

### Risks and reward profile

	← Lower Risk				Higher Risk →		
	Potentially Lower Rewards				Potentially Higher Rewards		
Share class A Accumulation	1	2	3	4	5	6	7
Share class B Accumulation	1	2	3	4	5	6	7

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 12.6% in sterling terms over the year and has provided cumulative returns of 29.4% and 48.7% over three and five years respectively to 31 July 2017.

Vapores (Chile: Industrials) benefited from signs of a rebound in the shipping industry, and Unilever (UK: Consumer Staples) rose on the back of the attempted takeover by Kraft Heinz and management's response of a new plan to improve margins. Housing Development Finance (India: Financials) rose due to higher-than-expected loan growth and the listing of its life insurance business.

On the negative side, Dr Reddy's Laboratories (India: Health Care) was weak on concerns surrounding the franchise and US Food & Drug Administration quality shortcomings. Juhayna Food Industries (Egypt: Consumer Staples) declined on disappointing results as weakness of the Egyptian pound increased costs, and AngloGold Ashanti (South Africa: Materials) was influenced by a subdued gold price.

### Portfolio changes

Significant purchases over the year included Orascom Construction Industries (UAE: Industrials), a construction company owned by the Sawiris family with a good track record and a net cash Balance Sheet. The Fund also bought Newcrest Mining (Australia: Materials), a gold miner with significant exposure to Papua New Guinea and a strong balance sheet, and FEMSA (Mexico: Consumer Staples), one of the best-run companies in Latin America, which has a positive track record in managing brand franchises and in developing new businesses.

The Fund sold Shoprite (South Africa: Consumer Staples) as the long-standing chief executive officer is retiring and we are not positive about the merger announcement with Steinhoff's African business. The Fund also sold M. Dias Branco (Brazil: Consumer Staples) and Marico (India: Consumer Staples) on valuation concerns.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Outlook**

Valuations across emerging markets are fair or full for many of the companies the Manager admires. Areas of comparatively better value, especially with quality in mind, include Indian IT outsourcing companies and some domestic-focused South African companies. Some areas of the universe that provided a brief opportunity to build positions – Mexico towards the end of 2016, for example – are once again more fully valued.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.2	6.6	12.6	29.4	48.7	156.0	1,312.8
Benchmark return %	8.1	13.5	25.7	37.4	50.0	87.5	568.6
Sector return %	2.1	3.5	9.8	23.3	43.2	65.2	958.6
Quartile ranking	2	2	2	2	2	1	2

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	12.6	21.5	(5.4)	0.3	14.5

Benchmark: MSCI Emerging Markets Index.

Sector: IA Global Emerging Markets.

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
		% of Fund	Stock name	% of Fund
United States Treasury Bill 0% 21/09/2017	5.95		Unilever	5.58
Housing Development Finance	3.51		Uni-President Enterprises	3.54
Unilever	3.50		Housing Development Finance	2.74
Uni-President Enterprises	3.48		Standard Bank Group	2.57
Tata Consultancy Services	2.48		Coca-Cola HBC	2.48
Enka Insaat ve Sanayi	2.25		Tiger Brands	2.26
PZ Cussons	2.13		Tech Mahindra	2.23
Fomento Economico Mexicano ADR	2.12		Duratex	2.17
Standard Bank Group	2.00		Shoprite Holdings	2.17
Grupo Financiero Santander Mexico ADR	1.91		Inversiones Aguas Metropolitanas	1.97

**Types of shares**

Accumulation.

# Stewart Investors Global Emerging Markets Fund

## Portfolio Statement

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (8.07%*)‡</b>	<b>49,451</b>	<b>7.28</b>
4,008,839 PZ Cussons	14,444	2.13
6,568,661 Tullow Oil	11,193	1.65
549,658 Unilever	23,814	3.50
<b>UNITED STATES (1.86%*)</b>	<b>40,477</b>	<b>5.95</b>
USD53,197,000 United States Treasury Bill 0% 21/09/2017	40,477	5.95
<b>SWITZERLAND (2.48%*)</b>	<b>10,457</b>	<b>1.54</b>
455,845 Coca-Cola HBC	10,457	1.54
<b>JAPAN (1.09%*)</b>	-	-
<b>AUSTRALIA (0.69%*)</b>	<b>14,827</b>	<b>2.18</b>
753,240 Newcrest Mining	9,233	1.36
1,387,035 Oil Search	5,594	0.82
<b>CHINA (0.58%*)</b>	-	-
<b>HONG KONG (3.29%*)</b>	<b>30,800</b>	<b>4.53</b>
6,435,387 China Resources Pharmaceutical Group	5,876	0.86
8,964,314 Hong Kong & China Gas	12,908	1.90
3,190,000 Texwinca Holdings	1,475	0.22
3,072,000 Vinda International Holdings	4,406	0.65
1,959,000 Yue Yuen Industrial Holdings	6,135	0.90
<b>INDIA (18.13%*)</b>	<b>145,530</b>	<b>21.41</b>
923,608 Cipla	6,155	0.91
1,020,353 Cyient	6,362	0.94
414,261 Dr Reddy's Laboratories	11,690	1.72
1,124,115 Housing Development Finance	23,866	3.51
10,896,005 Idea Cellular	11,952	1.76
3,473,473 IDFC	2,422	0.36
3,840,245 IDFC Bank	2,714	0.40
952,375 Kotak Mahindra Bank	11,572	1.70
942,982 Mahindra Lifespace Developers	4,716	0.69
121,797 Nestle India	9,772	1.44
570,103 Tata Consultancy Services	16,881	2.48
10,191,185 Tata Power	9,926	1.46
2,577,839 Tech Mahindra	11,787	1.73
1,071,033 Trent	3,422	0.50
1,269,898 United Breweries	12,293	1.81
<b>INDONESIA (0.00%*)</b>	<b>2,444</b>	<b>0.36</b>
13,697,000 Acset Indonusa	2,444	0.36
<b>PAKISTAN (0.35%*)</b>	-	-
<b>PHILIPPINES (1.37%*)</b>	-	-
<b>SINGAPORE (0.00%*)</b>	<b>6,586</b>	<b>0.97</b>
6,016,500 Delfi	6,586	0.97
<b>SOUTH KOREA (2.05%*)</b>	<b>10,321</b>	<b>1.52</b>
285,997 Shinhan Financial Group	10,321	1.52

# Stewart Investors Global Emerging Markets Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets %
<b>TAIWAN (6.12%*)</b>	<b>47,235</b>	<b>6.95</b>
2,256,000 Chroma ATE	5,437	0.80
2,987,000 Merida Industry	10,892	1.60
1,122,776 President Chain Store	7,253	1.07
16,245,104 Uni-President Enterprises	23,653	3.48
<b>EGYPT (1.34%*)</b>	<b>5,194</b>	<b>0.76</b>
17,936,021 Juhayna Food Industries	5,194	0.76
<b>KENYA (0.00%*)</b>	<b>3,951</b>	<b>0.58</b>
13,315,800 KCB Group	3,951	0.58
<b>NIGERIA (2.38%*)</b>	<b>25,842</b>	<b>3.80</b>
125,779,941 Guaranty Trust Bank	10,239	1.51
709,429 Guaranty Trust Bank GDR	2,898	0.43
3,153,943 Guinness Nigeria	428	0.06
2,037,436 Guinness Nigeria Rights Expiry 30/08/2017	-	-
15,706,810 Lafarge Africa	1,933	0.28
9,558,151 Nigerian Breweries	3,275	0.48
41,313,903 UAC of Nigeria	1,428	0.21
68,409,096 Unilever Nigeria	5,641	0.83
35,471,383 Unilever Nigeria Rights Expiry 08/09/2017	-	-
<b>OMAN (0.30%*)</b>	<b>-</b>	<b>-</b>
<b>POLAND (1.25%*)</b>	<b>-</b>	<b>-</b>
<b>RUSSIA (0.50%*)</b>	<b>-</b>	<b>-</b>
<b>SOUTH AFRICA (12.87%*)</b>	<b>63,849</b>	<b>9.40</b>
2,375,995 Adcock Ingram Holdings	8,789	1.28
132,514 Adcock Ingram Holdings Warrants Expiry 26/07/2019	67	0.01
5,399,089 African Oxygen	5,835	0.87
862,909 AngloGold Ashanti	6,637	0.98
7,252,678 Grindrod	5,166	0.76
1,171,140 Impala Platinum Holdings	2,448	0.36
7,734,435 Nampak	8,628	1.27
1,428,417 Standard Bank Group	13,594	2.00
546,248 Tiger Brands	12,685	1.87
<b>TURKEY (3.29%*)</b>	<b>28,444</b>	<b>4.18</b>
1,660,429 Anadolu Efes Biracilik Ve Malt Sanayii	7,494	1.10
12,854,466 Enka Insaat ve Sanayi	15,280	2.25
1,012,131 Yazicilar Holdings	5,670	0.83
<b>UAE (0.00%*)</b>	<b>9,855</b>	<b>1.45</b>
1,930,401 Orascom Construction	9,855	1.45
<b>BRAZIL (10.05%*)</b>	<b>51,300</b>	<b>7.55</b>
1,372,932 Banco Bradesco	9,885	1.45
4,882,191 Duratex	9,275	1.37
2,418,200 Klabin	9,458	1.40
1,642,260 Natura Cosmetics	9,871	1.45
852,992 Porto Seguro	6,462	0.95
394,820 WEG	1,798	0.26
535,808 Wilson Sons BDR	4,551	0.67

# Stewart Investors Global Emerging Markets Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets %
<b>CHILE (10.56%*)‡</b>	<b>72,161</b>	<b>10.62</b>
12,869,258 Aguas Andinas 'A' Shares	6,090	0.90
940,438 Antofagasta	8,948	1.32
1,199,205 Cia Cervecerias Unidas	12,049	1.77
253,765,516 Cia Sud Americana de Vapores	8,891	1.31
9,676,378 Inversiones Aguas Metropolitanas	12,666	1.86
5,137,064 Quinenco	10,958	1.61
72,353,698 Sociedad Matriz SAAM	5,769	0.85
4,716,133 SONDA	6,790	1.00
<b>COLOMBIA (1.19%*)</b>	<b>-</b>	<b>-</b>
<b>MEXICO (1.82%*)</b>	<b>36,113</b>	<b>5.31</b>
186,819 Fomento Economico Mexicano ADR	14,420	2.12
1,694,539 Grupo Financiero Santander Mexico ADR	13,002	1.91
5,133,281 Grupo Herdez	8,691	1.28
<b>Portfolio of investments</b>	<b>654,837</b>	<b>96.34</b>
<b>Net other assets</b>	<b>24,895</b>	<b>3.66</b>
<b>Total net assets</b>	<b>679,732</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stock shown as ADRs, GDRs and BDRs represent American Depositary Receipts, Global Depositary Receipts and Brazilian Depositary Receipts, respectively.

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# Stewart Investors Global Emerging Markets Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	702.30	578.00	611.19
Return before operating charges*	102.79	135.32	(21.45)
Operating charges	(14.19)	(11.02)	(11.74)
Return after operating charges*	88.60	124.30	(33.19)
Distributions	(1.98)	(1.94)	(3.58)
Retained distributions on accumulation shares	1.98	1.94	3.58
Closing net asset value per share (p)	790.90	702.30	578.00
* after direct transaction costs of:	0.91	0.60	0.54
<b>Performance</b>			
Return after charges (%)	12.62%	21.51%	(5.43)%
<b>Other information</b>			
Closing net asset value (£'000)	47,696	48,051	56,939
Closing number of shares	6,030,570	6,841,976	9,850,975
Operating charges	1.89%	1.89%	1.89%
Direct transaction costs	0.12%	0.10%	0.09%
<b>Prices</b>			
Highest share price	803.40	710.10	663.38
Lowest share price	686.02	517.46	576.35

# Stewart Investors Global Emerging Markets Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	784.78	641.03	673.78
Return before operating charges*	114.84	150.83	(25.34)
Operating charges	(9.26)	(7.08)	(7.41)
Return after operating charges*	105.58	143.75	(32.75)
Distributions	(8.49)	(7.21)	(8.12)
Retained distributions on accumulation shares	8.49	7.21	8.12
Closing net asset value per share (p)	890.36	784.78	641.03
* after direct transaction costs of:	1.02	0.67	0.60
<b>Performance</b>			
Return after charges (%)	13.45%	22.42%	(4.86)%
<b>Other information</b>			
Closing net asset value (£'000)	632,036	831,725	642,041
Closing number of shares	70,986,300	105,982,561	100,157,728
Operating charges	1.09%	1.09%	1.08%
Direct transaction costs	0.12%	0.10%	0.09%
<b>Prices</b>			
Highest share price	904.23	793.43	734.24
Lowest share price	768.59	575.96	636.77

# Stewart Investors Global Emerging Markets Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		83,139		152,183
Revenue	3	15,746		17,177	
Expenses	4	(8,063)		(8,133)	
Interest payable and similar charges		(5)		-	
<b>Net revenue before taxation</b>		<b>7,678</b>		<b>9,044</b>	
Taxation	5	(1,943)		(1,429)	
<b>Net revenue after taxation</b>			<b>5,735</b>		<b>7,615</b>
<b>Total return before distributions</b>			<b>88,874</b>		<b>159,798</b>
Distribution	6		(6,911)		(7,666)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>81,963</b>		<b>152,132</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>879,776</b>		<b>698,980</b>
Assets transferred from other Funds*		-		7,919
Amounts receivable on issue of shares	23,376		34,901	
Less: Amounts payable on cancellation of shares	(312,921)		(21,996)	
		(289,545)		12,905
Dilution adjustment		1,270		152
Change in net assets attributable to shareholders from investment activities		81,963		152,132
Retained distribution on accumulation shares		6,268		7,688
<b>Closing net assets attributable to shareholders</b>		<b>679,732</b>		<b>879,776</b>

\*Relating to the transfer of assets from an external party.

Notes to the Financial Statements are on pages 232 to 237.

# Stewart Investors Global Emerging Markets Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>654,837</u>	<u>806,150</u>
<b>Current assets</b>			
Debtors	8	812	6,044
Cash and bank balances		<u>25,715</u>	<u>70,494</u>
<b>Total assets</b>		<u><b>681,364</b></u>	<u><b>882,688</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(1,632)</u>	<u>(2,912)</u>
<b>Total liabilities</b>		<u><b>(1,632)</b></u>	<u><b>(2,912)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>679,732</b></u>	<u><b>879,776</b></u>

*Notes to the Financial Statements are on pages 232 to 237.*

# Stewart Investors Global Emerging Markets Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	84,223	149,321
Forward foreign exchange currency contracts	(3)	(2)
Currency (losses)/gains	(1,081)	2,864
Net capital gains	<u>83,139</u>	<u>152,183</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	1,538	1,761
Overseas taxable revenue	(172)	173
Overseas non-taxable revenue	12,888	13,821
Overseas scrip dividends	56	113
Interest from bank deposits	6	13
Interest from government and fixed-interest securities	115	42
Interest on capital revenue from Brazilian companies	1,218	1,182
Initial Charge Revenue	97	72
Total revenue	<u>15,746</u>	<u>17,177</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>7,352</u>	<u>7,463</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>105</u>	<u>94</u>
<b>Other expenses:</b>		
Audit fee	11	9
Registrar fees	47	58
Safe custody charges	380	370
Other expenses	<u>168</u>	<u>139</u>
	<u>606</u>	<u>576</u>
Total expenses	<u>8,063</u>	<u>8,133</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	769	1,391
Indian capital gains tax	1,174	38
Total taxation (note 5b)	<u>1,943</u>	<u>1,429</u>
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	7,678	9,044
Corporation tax of 20% (2016: 20%)	1,536	1,809
<b>Effects of:</b>		
UK dividends*	(308)	(352)
Non-taxable scrip dividends*	(11)	(23)
Overseas non-taxable revenue*	(2,578)	(2,764)
Movement in excess management expenses	1,396	1,370
Irrecoverable overseas tax	769	1,391
Overseas tax expensed	(35)	(40)
Indian capital gains tax	1,174	38
Total tax charge for year (note 5a)	<u>1,943</u>	<u>1,429</u>

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

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

## (c) Deferred taxation:

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

## (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £11,706,887 (31/07/16: £10,310,678), this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	2,548	1,407
Final distribution	3,720	6,281
	<u>6,268</u>	<u>7,688</u>
Add: revenue deducted on cancellation of shares	728	38
Deduct: revenue received on issue of shares	(85)	(60)
Net distributions for the year	<u>6,911</u>	<u>7,666</u>

Details of the distribution per share are set out in the Distribution Tables on page 238.

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 7. Movement between net revenue and net distributions

	31 July 2017	31 July 2016
	£'000	£'000
Net revenue after taxation	5,735	7,615
Movement in net income as a result of conversions	2	19
Expenses charged to capital	-	(6)
Indian capital gains tax	1,174	38
Net distributions for the year	<u>6,911</u>	<u>7,666</u>

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	5,031
Amounts receivable for issue of shares	37	12
Accrued revenue	775	1,001
Total debtors	<u>812</u>	<u>6,044</u>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	746	1,802
Amounts payable for cancellation of shares	85	222
Accrued expenses	801	888
Total creditors	<u>1,632</u>	<u>2,912</u>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	118,019	190,838	380,470	184,457
Bonds	76,701	48,115	50,588	34,093
Trades in the year before transaction costs	<u>194,720</u>	<u>238,953</u>	<u>431,058</u>	<u>218,550</u>
<b>Commissions</b>				
Equities	126	195	(370)	(181)
Bonds	-	-	-	(1)
<b>Taxes</b>				
Equities	87	215	(255)	(141)
Bonds	-	-	-	-
Total costs	<u>213</u>	<u>410</u>	<u>(625)</u>	<u>(323)</u>
<b>Total net trades in the year after transaction costs</b>	<u>194,933</u>	<u>239,363</u>	<u>430,433</u>	<u>218,227</u>

as at 31 July 2017

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

	Purchases		Sales	
	31 July 2017 %	31 July 2016 %	31 July 2017 %	31 July 2016 %
<b>Commissions</b>				
Equities	0.11	0.10	0.10	0.10
Bonds	-	-	-	0.00
<b>Taxes</b>				
Equities	0.07	0.11	0.07	0.08
Bonds	-	-	-	-

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

	31 July 2017 %	31 July 2016 %
Commissions	0.07	0.05
Taxes	0.05	0.05
<b>Total costs</b>	<b>0.12</b>	<b>0.10</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.39% (31/07/2016: 0.46%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£65,483,686) (31/07/16: £80,614,961).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(b) Interest-rate risk*

The Fund significantly invests in either fixed or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2017, 9.74% (31/07/16: 9.90%) of the Fund's assets were interest bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Global Emerging Markets Fund would be an increase or decrease of approximately £165,505 (31/07/16: £217,657).

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	14,827	6,049
Brazilian real	51,454	88,762
Chilean peso	63,662	86,186
Colombian peso	-	10,462
Egyptian pound	5,194	7,328
Hong Kong dollar	30,800	34,281
Indian rupee	146,030	171,124
Indonesian rupiah	2,444	-
Japanese yen	-	9,062
Kenyan shilling	3,951	-
Mexican peso	8,691	6,679
Nigerian naira	22,945	18,691
Omani rial	-	3,168
Philippine peso	-	12,035
Polish zloty	-	11,010
Singapore dollar	6,586	-
South African rand	63,095	113,331
South Korean won	10,321	18,010
Taiwanese dollar	47,427	54,612
Turkish lira	28,444	28,907
US dollar	98,985	53,888
Pakistan rupee	-	3,083
Total	<u>604,856</u>	<u>736,668</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.45% (£30,242,810) (31/07/16: 4.19% (£36,833,405)).

as at 31 July 2017

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £606,674 (31/07/16: £719,137) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.02% (31/07/16: 0.01%) of the net asset value of the Fund.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.50% (31/07/16: 0.90%) of the net asset value of the Fund.

**Material Shareholders**

Santander (CF Trustee) Limited and Centrica Combined Common Investment held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 35.1% and 15.5% of the Fund's shares in issue respectively.

**14. Share classes**

The Fund has two share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.75
Share class B Accumulation (Institutional):	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 228 to 229.

The distributions per share class are given in the Distribution Tables on page 238.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	6,841,976	54,603	(695,756)	(170,253)	6,030,570
Share class B Accumulation (Institutional)	105,982,561	2,851,539	(37,999,744)	151,944	70,986,300

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	654,837	-	805,954	-
Level 2	-	-	196	-
Level 3	-	-	-	-
Total fair value	<u>654,837</u>	<u>-</u>	<u>806,150</u>	<u>-</u>

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

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

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

# Stewart Investors Global Emerging Markets Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence per share

- Group 1 Interim - Shares purchased prior to 1 August 2016  
 Final - Shares purchased prior to 1 February 2017
- Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017  
 Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.2916	-	0.2916	-
Final	1.6862	-	1.6862	1.9420
Group 2	(p)	(p)	(p)	(p)
Interim	-	0.2916	0.2916	-
Final	0.9555	0.7307	1.6862	1.9420

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	3.3919	-	3.3919	1.4110
Final	5.0971	-	5.0971	5.8009
Group 2	(p)	(p)	(p)	(p)
Interim	0.4528	2.9391	3.3919	1.4110
Final	2.3020	2.7951	5.0971	5.8009

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# Stewart Investors Global Emerging Markets Leaders Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

- 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 that are not classified as a developed market by MSCI or FTSE or are categorised by the World Bank as middle or low-income or are not members of the Organisation for Economic Co-operation and Development.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 11.9% in sterling terms over the year and has provided cumulative returns of 32.9% and 49.8% over three and five years respectively to 31 July 2017.

Antofagasta (UK: Materials) rose on increasing copper prices and strong results as production was ahead of expectations, and Unilever (UK: Consumer Staples) rose on the back of the attempted takeover by Kraft Heinz and management's response of a new plan to improve margins. Housing Development Finance (India: Financials) climbed on higher-than-expected loan growth and the listing of its life insurance business.

On the negative side, Dr Reddy's Laboratories Cosmetics (India: Health Care) was weak on concerns surrounding the franchise and US Food & Drug Administration quality shortcomings, while Natura Cosmetics (Brazil: Consumer Staples) experienced a difficult environment with the evolution of its business model, changes in management and a subdued consumer. Li & Fung (Hong Kong: Consumer Discretionary) declined on concerns about the impact of the internet on its franchise as its customers are increasingly losing market share to e-commerce.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Portfolio changes**

Significant purchases over the year included Cipla (India: Health Care), one of India's oldest family-owned pharmaceutical companies, which has proven manufacturing capabilities in generic drugs. The Fund bought Heineken (Netherlands: Consumer Staples), a global brewer with attractive long-term growth opportunities in Nigeria, India and elsewhere in Asia, backed by a family who exhibit strong stewardship. The Fund also bought Newcrest Mining (Australia: Materials), a gold miner with significant exposure to Papua New Guinea and a strong Balance Sheet.

The Fund sold China Resources Beer (China: Consumer Staples) following an ownership change, as SABMiller, which we were backing, sold its stake as part of the ABI/SABMiller deal. The Fund also sold Nestlé India (Consumer Staples) and Entel (Chile: Telecom Services) on valuation concerns.

**Outlook**

Valuations across emerging markets are fair or full for many of the companies the Manager admires. Areas of comparatively better value, especially with quality in mind, include Indian IT outsourcing companies and some domestic-focused South African companies. Some areas of the universe that provided a brief opportunity to build positions – Mexico towards the end of 2016, for example – are once again more fully valued.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.5	6.2	11.9	32.9	49.8	164.3	466.5
Benchmark return %	8.1	13.5	25.7	37.4	50.0	87.5	360.0
Sector return %	2.1	3.5	9.8	23.3	43.2	65.2	234.7
Quartile ranking	2	2	2	2	2	1	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	11.9	20.3	(1.3)	0.2	12.5

Benchmark: MSCI Emerging Markets Index.

Sector: IA Global Emerging Markets.

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Uni-President Enterprises	4.57	Unilever	6.28	
Unilever	4.06	Housing Development Finance	4.93	
Housing Development Finance	4.06	Tiger Brands	4.87	
Tata Consultancy Services	4.05	Uni-President Enterprises	4.11	
Tata Power	3.40	Standard Bank Group	3.81	
Cia Cervecerias Unidas	3.15	Banco Bradesco	3.45	
Remgro	2.77	Bank Pekao	2.84	
Grupo Financiero Santander Mexico ADR	2.72	Tata Power	2.83	
MediaTek	2.66	Cia Cervecerias Unidas	2.63	
Cipla	2.65	Infosys	2.60	

**Types of shares**

Income and Accumulation.

# Stewart Investors Global Emerging Markets Leaders Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (7.15%*)‡</b>	<b>153,272</b>	<b>5.44</b>
22,800,343 Tullow Oil	38,852	1.38
2,640,964 Unilever	114,420	4.06
<b>NETHERLANDS (0.00%*)</b>	<b>54,195</b>	<b>1.92</b>
726,286 Heineken Holding	54,195	1.92
<b>SWITZERLAND (2.36%*)</b>	<b>59,751</b>	<b>2.12</b>
2,604,668 Coca-Cola HBC	59,751	2.12
<b>JAPAN (1.53%*)</b>	<b>26,765</b>	<b>0.95</b>
1,373,200 Unicharm	26,765	0.95
<b>AUSTRALIA (0.00%*)</b>	<b>58,195</b>	<b>2.07</b>
3,537,889 Newcrest Mining	43,365	1.54
3,677,005 Oil Search	14,830	0.53
<b>CHINA (3.88%*)</b>	<b>53,265</b>	<b>1.89</b>
35,920,000 China Mengniu Dairy	53,265	1.89
<b>HONG KONG (4.85%*)</b>	<b>162,475</b>	<b>5.77</b>
26,926,679 China Resources Pharmaceutical Group	24,588	0.87
32,383,175 Hong Kong & China Gas	46,630	1.66
136,334,000 Li & Fung	37,906	1.35
17,036,500 Yue Yuen Industrial Holdings	53,351	1.89
<b>INDIA (20.41%*)</b>	<b>738,498</b>	<b>26.23</b>
11,193,580 Cipla	74,600	2.65
1,992,571 Colgate-Palmolive India	25,583	0.91
1,947,863 Dr Reddy's Laboratories	54,965	1.95
10,124,358 Federal Bank	13,871	0.49
5,386,658 Housing Development Finance	114,365	4.06
46,318,210 Idea Cellular	50,806	1.81
5,719,602 Infosys	68,954	2.45
3,035,454 Mahindra & Mahindra	50,692	1.80
3,855,451 Tata Consultancy Services	114,159	4.05
98,366,871 Tata Power	95,806	3.40
8,348,907 Tech Mahindra	38,173	1.36
3,773,024 United Breweries	36,524	1.30
<b>MALAYSIA (1.04%*)</b>	<b>42,096</b>	<b>1.49</b>
51,088,113 Axiata Group	42,096	1.49
<b>PHILIPPINES (0.99%*)</b>	-	-
<b>SINGAPORE (1.16%*)</b>	<b>59,632</b>	<b>2.12</b>
9,733,900 Dairy Farm International Holdings	59,632	2.12
<b>SOUTH KOREA (2.65%*)</b>	<b>110,132</b>	<b>3.91</b>
301,898 AMOREPACIFIC Group	24,873	0.88
12,840 KT	304	0.01
4,497,162 KT ADR	63,702	2.26
588,919 Shinhan Financial Group	21,253	0.76
<b>TAIWAN (9.38%*)</b>	<b>267,759</b>	<b>9.51</b>
8,351,000 Asustek Computer	59,110	2.10
1,363,000 Giant Manufacturing	5,090	0.18
11,166,000 MediaTek	74,950	2.66
88,329,338 Uni-President Enterprises	128,609	4.57

# Stewart Investors Global Emerging Markets Leaders Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>HUNGARY (1.03%*)</b>	-	-
<b>NIGERIA (0.44%*)</b>	<b>39,989</b>	<b>1.42</b>
287,923,554 Guaranty Trust Bank	23,438	0.83
48,300,299 Nigerian Breweries	16,551	0.59
<b>OMAN (0.14%*)</b>	-	-
<b>POLAND (2.84%*)</b>	<b>58,541</b>	<b>2.08</b>
2,157,526 Bank Pekao	58,541	2.08
<b>RUSSIA (0.00%)</b>	<b>13,168</b>	<b>0.47</b>
475,050 Magnit GDR	13,168	0.47
<b>SOUTH AFRICA (11.87%*)</b>	<b>222,221</b>	<b>7.89</b>
548,738 AngloGold Ashanti	4,221	0.15
6,301,958 Remgro	78,099	2.77
222,511 SPAR Group	2,133	0.08
7,439,388 Standard Bank Group	70,799	2.51
2,883,966 Tiger Brands	66,969	2.38
<b>TURKEY (2.88%*)</b>	<b>83,371</b>	<b>2.96</b>
12,965,749 Akbank	29,144	1.03
12,016,105 Anadolu Efes Biracilik Ve Malt Sanayii	54,227	1.93
<b>BRAZIL (8.07%*)</b>	<b>177,521</b>	<b>6.31</b>
5,896,801 Banco Bradesco	42,456	1.51
1,254,730 Engie Brasil Energia	10,661	0.38
17,584,700 Klabin	68,778	2.44
9,255,031 Natura Cosméticos	55,626	1.98
<b>CHILE (8.03%*)‡</b>	<b>142,140</b>	<b>5.05</b>
72,933,178 Aguas Andinas 'A' Shares	34,516	1.23
1,993,921 Antofagasta	18,972	0.67
8,823,165 Cia Cervecerias Unidas	88,652	3.15
<b>MEXICO (1.93%*)</b>	<b>93,642</b>	<b>3.33</b>
9,984,011 Grupo Financiero Santander Mexico ADR	76,607	2.72
11,069,047 Kimberly-Clark de Mexico 'A' Shares	17,035	0.61
<b>Portfolio of investments</b>	<b>2,616,628</b>	<b>92.93</b>
<b>Net other assets</b>	<b>199,203</b>	<b>7.07</b>
<b>Total net assets</b>	<b>2,815,831</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as ADRs and GDRs represent American Depositary Receipts and Global Depositary Receipts, respectively.

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# Stewart Investors Global Emerging Markets Leaders Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	505.40	420.35	425.81
Return before operating charges*	68.88	91.65	1.45
Operating charges	(8.51)	(6.60)	(6.91)
Return after operating charges*	60.37	85.05	(5.46)
Distributions	(4.24)	(3.36)	(2.77)
Retained distributions on accumulation shares	4.24	3.36	2.77
Closing net asset value per share (p)	565.77	505.40	420.35
* after direct transaction costs of:	0.54	0.44	0.59
<b>Performance</b>			
Return after charges (%)	11.94%	20.23%	(1.28)%
<b>Other information</b>			
Closing net asset value (£'000)	585,054	580,447	814,299
Closing number of shares	103,407,899	114,849,251	193,718,833
Operating charges	1.58%	1.57%	1.57%
Direct transaction costs	0.10%	0.10%	0.13%
<b>Prices</b>			
Highest share price	577.51	511.92	472.73
Lowest share price	491.10	376.97	408.79

# Stewart Investors Global Emerging Markets Leaders Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	544.71	450.09	452.92
Return before operating charges*	74.47	98.79	1.49
Operating charges	(5.37)	(4.17)	(4.32)
Return after operating charges*	69.10	94.62	(2.83)
Distributions	(8.43)	(6.60)	(6.12)
Retained distributions on accumulation shares	8.43	6.60	6.12
Closing net asset value per share (p)	613.81	544.71	450.09
* after direct transaction costs of:	0.59	0.47	0.63
<b>Performance</b>			
Return after charges (%)	12.69%	21.02%	(0.62)%
<b>Other information</b>			
Closing net asset value (£'000)	1,697,638	1,799,399	1,484,631
Closing number of shares	276,573,847	330,338,523	329,849,571
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.10%	0.10%	0.13%
<b>Prices</b>			
Highest share price	625.00	551.71	505.18
Lowest share price	530.52	404.92	435.93

# Stewart Investors Global Emerging Markets Leaders Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

Final 31 July 2017  
(p)

#### Share class B Income

#### Change in net assets per share

Opening net asset value per share	100.00
Return before operating charges*	13.22
Operating charges	(1.00)
Return after operating charges*	12.22
Distributions	(1.31)
Closing net asset value per share (p)	110.91

\* after direct transaction costs of: 0.11

#### Performance

Return after charges (%) 12.22%

#### Other information

Closing net asset value (£'000)	37,743
Closing number of shares	34,030,880
Operating charges	0.91%
Direct transaction costs	0.10%

#### Prices

Highest share price	113.91
Lowest share price	97.00

Share class B Income was launched on 1 September 2016.

# Stewart Investors Global Emerging Markets Leaders Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	222.65	221.50	199.33
Return before operating charges*	16.26	4.40	25.58
Operating charges	(3.65)	(3.25)	(3.41)
Return after operating charges*	12.61	1.15	22.17
Distributions	(1.93)	(1.50)	(1.58)
Retained distributions on accumulation shares	1.93	1.50	1.58
Closing net asset value per share (c)	235.26	222.65	221.50
* after direct transaction costs of:	0.23	0.22	0.29
<b>Performance</b>			
Return after charges (%)	5.66%	0.52%	11.12%
<b>Other information</b>			
Closing net asset value (€'000)	124,178	118,276	136,916
Closing number of shares	52,783,626	53,122,000	61,814,341
Operating charges	1.57%	1.57%	1.57%
Direct transaction costs	0.10%	0.10%	0.13%
<b>Prices</b>			
Highest share price	248.37	227.25	243.48
Lowest share price	214.86	180.99	191.25

# Stewart Investors Global Emerging Markets Leaders Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	167.07	165.13	147.70
Return before operating charges*	12.13	3.36	18.90
Operating charges	(1.59)	(1.42)	(1.47)
Return after operating charges*	10.54	1.94	17.43
Distributions	(2.50)	(2.09)	(2.19)
Retained distributions on accumulation shares	2.50	2.09	2.19
Closing net asset value per share (c)	177.61	167.07	165.13
* after direct transaction costs of:	0.18	0.16	0.22
<b>Performance</b>			
Return after charges (%)	6.31%	1.17%	11.80%
<b>Other information</b>			
Closing net asset value (€'000)	429,972	234,378	301,283
Closing number of shares	242,092,238	140,281,706	182,460,528
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	0.10%	0.10%	0.13%
<b>Prices</b>			
Highest share price	187.22	170.51	181.16
Lowest share price	161.54	135.41	142.03

# Stewart Investors Global Emerging Markets Leaders Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		288,498		426,072
Revenue	3	70,097		57,514	
Expenses	4	(30,950)		(26,549)	
Interest payable and similar charges		(30)		(10)	
<b>Net revenue before taxation</b>		<b>39,117</b>		<b>30,955</b>	
Taxation	5	(3,228)		(1,644)	
<b>Net revenue after taxation</b>			<b>35,889</b>		<b>29,311</b>
<b>Total return before distributions</b>			<b>324,387</b>		<b>455,383</b>
Distributions	6		(35,861)		(29,656)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>288,526</b>		<b>425,727</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>2,677,211</b>		<b>2,607,823</b>
Amounts receivable on issue of shares	278,354		48,521	
Less: Amounts payable on cancellation of shares	(463,129)		(433,747)	
		(184,775)		(385,226)
Dilution adjustment		344		-
Change in net assets attributable to shareholders from investment activities		288,526		425,727
Retained distribution on accumulation shares		34,525		28,887
<b>Closing net assets attributable to shareholders</b>		<b>2,815,831</b>		<b>2,677,211</b>

Notes to the Financial Statements are on pages 250 to 255.

# Stewart Investors Global Emerging Markets Leaders Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>2,616,628</u>	<u>2,480,020</u>
<b>Current assets</b>			
Debtors	8	5,197	6,041
Cash and bank balances		<u>203,238</u>	<u>197,642</u>
<b>Total assets</b>		<u><b>2,825,063</b></u>	<u><b>2,683,703</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(328)	-
Other creditors	9	<u>(8,904)</u>	<u>(6,492)</u>
<b>Total liabilities</b>		<u><b>(9,232)</b></u>	<u><b>(6,492)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>2,815,831</b></u></u>	<u><u><b>2,677,211</b></u></u>

*Notes to the Financial Statements are on pages 250 to 255.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	286,280	417,499
Forward foreign exchange currency contracts	390	(11)
Currency gains	1,828	8,584
Net capital gains	<u>288,498</u>	<u>426,072</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	5,168	6,571
Overseas taxable revenue	(734)	(251)
Overseas non-taxable revenue	60,791	46,544
Overseas scrip dividends	400	483
Interest from bank deposits	37	49
Interest from government and fixed-interest securities	-	(561)
Interest on capital revenue from Brazilian companies	3,998	4,524
Initial Charge Revenue	437	155
Total revenue	<u>70,097</u>	<u>57,514</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>28,560</u>	<u>24,738</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>390</u>	<u>271</u>
<b>Other expenses:</b>		
Audit fee	12	10
Registrar fees	374	409
Safe custody charges	991	791
Other expenses	<u>623</u>	<u>330</u>
	<u>2,000</u>	<u>1,540</u>
Total expenses	<u>30,950</u>	<u>26,549</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Corporation tax	9	-
Irrecoverable overseas tax	3,219	1,644
Total taxation (note 5b)	<u>3,228</u>	<u>1,644</u>

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

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:

Net revenue before taxation	39,117	30,955
Corporation tax of 20% (2016: 20%)	7,823	6,191
<b>Effects of:</b>		
UK dividends*	(1,034)	(1,314)
Non-taxable scrip dividends*	(80)	(97)
Overseas non-taxable revenue*	(12,158)	(9,309)
Movement in excess management expenses	5,563	4,658
Irrecoverable overseas tax	3,219	1,644
Overseas tax expensed	(114)	(129)
Corporation tax: adjustment in respect of prior years	9	-
Total tax charge for year (note 5a)	<u>3,228</u>	<u>1,644</u>

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £45,774,014 (31/07/16: £40,211,475); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	13,026	5,960
Final distribution	21,956	22,927
	<u>34,982</u>	<u>28,887</u>
Add: revenue deducted on cancellation of shares	1,790	1,091
Deduct: revenue received on issue of shares	(911)	(322)
Net distributions for the year	<u>35,861</u>	<u>29,656</u>

*Details of the distribution per share are set out in the Distribution Tables on pages 256 to 257.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	35,889	29,311
Movement in net income as a result of conversions	(28)	351
Expenses charged to capital	-	(8)
Tax relief on expenses charged to capital	-	2
Net distributions for the year	<u>35,861</u>	<u>29,656</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	1,054
Amounts receivable for issue of shares	85	491
Accrued revenue	4,827	3,985
Overseas tax recoverable	285	511
<b>Total debtors</b>	<b>5,197</b>	<b>6,041</b>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	1,567	-
Amounts payable for cancellation of shares	4,362	4,049
Accrued expenses	2,975	2,443
<b>Total creditors</b>	<b>8,904</b>	<b>6,492</b>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	782,887	442,584	934,672	813,421
Bonds	-	-	421	583
<b>Trades in the year before transaction costs</b>	<b>782,887</b>	<b>442,584</b>	<b>935,093</b>	<b>814,004</b>
<b>Commissions</b>				
Equities	724	382	(823)	(751)
Bonds	-	-	(1)	(2)
<b>Total commissions</b>	<b>724</b>	<b>382</b>	<b>(824)</b>	<b>(753)</b>
<b>Taxes</b>				
Equities	649	447	(629)	(895)
Bonds	-	-	-	-
<b>Total taxes</b>	<b>649</b>	<b>447</b>	<b>(629)</b>	<b>(895)</b>
<b>Total costs</b>	<b>1,373</b>	<b>829</b>	<b>(1,453)</b>	<b>(1,648)</b>
<b>Total net trades in the year after transaction costs</b>	<b>784,260</b>	<b>443,413</b>	<b>933,640</b>	<b>812,356</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.09	0.09	0.09	0.09
Bonds	-	-	0.24	0.34
<b>Taxes</b>				
Equities	0.08	0.10	0.07	0.11
Bonds	-	-	-	-

## Notes to the Financial Statements

(continued)

as at 31 July 2017

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.05	0.05
Taxes	0.05	0.06
Total costs	0.10	0.11

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.24% (31/07/2016: 0.27%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£261,662,751) (31/07/16: £248,002,000).

*(b) Interest-rate risk*

The Fund no longer invests in either fixed or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2017, 7.22% (31/07/2016: 7.40%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Global Emerging Markets Leaders Fund would be an increase or decrease of approximately £508,138 (31/07/16: £495,101).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	58,195	-
Brazilian real	177,542	216,251
Chilean peso	123,167	145,549
Czech Republic koruna	-	1
Euro	54,400	1,855
Hong Kong dollar	215,740	233,754
Hungarian forint	-	27,488
Indian rupee	740,953	558,088
Japanese yen	26,842	41,078
Malaysian ringgit	42,096	27,860
Mexican peso	17,035	-
Nigerian naira	39,988	11,646
Omani rial	-	4,601
Philippine peso	-	26,760
Polish zloty	58,541	76,011
South African rand	220,638	317,923
South Korean won	46,430	48,236
Swiss franc	258	511
Taiwanese dollar	270,339	253,153
Turkish lira	83,371	77,046
US dollar	313,672	194,689
Total	<u>2,489,207</u>	<u>2,262,500</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.42% (£124,460,346) (31/07/16: 4.23% (£113,125,070)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £2,432,529 (31/07/16: £2,143,785) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.09% (31/07/16: 0.08%) of the net asset value of the Fund.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.19% (31/07/16: 0.46%) of the net asset value of the Fund.

As at 31 July 2017, HTSG A/C First State, a related party of the ACD, owned 0.32% (31/07/16: nil) of the net asset value of the Fund.

**Material Shareholders**

Clearstream Banking S.A. held material shareholding in the Fund during the year to 31 July 2017, and at the year end held 12.2% of the Fund's shares in issue.

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 14. Share classes

The Fund has five share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.50
Share class B Accumulation (Institutional):	0.85
Share class B Income (Institutional):	0.85
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class B Accumulation (EUR share class) (Institutional):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 243 to 247.

The distributions per share class are given in the Distribution Tables on pages 256 to 257.

All share classes have the same rights on winding up.

## Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	114,849,251	3,910,170	(11,811,710)	(3,539,812)	103,407,899
Share class B Accumulation (Institutional)	330,338,523	7,526,822	(60,147,097)	(1,144,401)	276,573,847
Share class B Income (Institutional)	-	19,956,221	(10,094,583)	24,169,242	34,030,880
Share class A Accumulation (EUR share class) (Retail)	53,122,000	7,081,932	(7,392,965)	(27,341)	52,783,626
Share class B Accumulation (EUR share class) (Institutional)	140,281,706	119,235,974	(17,461,760)	36,318	242,092,238

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	2,616,628	-	2,479,621	-
Level 2	-	-	399	-
Level 3	-	-	-	-
Total fair value	2,616,628	-	2,480,020	-

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

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

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

# Stewart Investors Global Emerging Markets Leaders Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.2032	-	1.2032	0.1042
Final	3.0368	-	3.0368	3.2550
Group 2	(p)	(p)	(p)	(p)
Interim	-	1.2032	1.2032	0.1042
Final	2.4776	0.5592	3.0368	3.2550

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	3.1676	-	3.1676	1.5471
Final	5.2655	-	5.2655	5.0543
Group 2	(p)	(p)	(p)	(p)
Interim	0.7900	2.3776	3.1676	1.5471
Final	3.7343	1.5312	5.2655	5.0543

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.3418	-	0.3418	-
Final	0.9646	-	0.9646	-
Group 2	(p)	(p)	(p)	(p)
Interim	0.0997	0.2421	0.3418	-
Final	0.6030	0.3616	0.9646	-

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.6446	-	0.6446	0.0597
Final	1.2886	-	1.2886	1.4445
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.6446	0.6446	0.0597
Final	1.0323	0.2563	1.2886	1.4445

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.9657	-	0.9657	0.5311
Final	1.5321	-	1.5321	1.5601
Group 2	(c)	(c)	(c)	(c)
Interim	0.3910	0.5747	0.9657	0.5311
Final	0.8023	0.7298	1.5321	1.5601

## Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# Stewart Investors Global Emerging Markets Sustainability Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

- Clarification point: The Fund's emphasis on sustainable development incorporates three key features in making investment decisions. These are:
  - I Company classification (identifying companies whose management are believed able to manage sustainability risks and opportunities facing their companies, seeking out sustainability companies with a positive sustainable development impact);
  - II Integration of environmental, social and corporate governance factors into investment analysis;
  - III Engagement with and exit from companies based on our own research and external global norms-based screening (the Fund manager will engage senior management on any identified environmental, social and governance issues and exit a stock if insufficient progress is made).

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 13.1% in sterling terms over the year and provided cumulative returns of 32.9% and 62.9% over three and five years respectively to 31 July 2017.

Unilever (UK: Consumer Staples) rose on the back of the attempted takeover by Kraft Heinz and management's response of a new plan to improve margins. Marico (India: Consumer Staples) gained on the back of both strong operational performance and the market becoming more optimistic about the future prospects of Indian consumer companies. Vapores (Chile: Industrials) benefited from ongoing consolidation in the shipping industry.

On the negative side, Mahle-Metal Leve (Brazil: Consumer Discretionary) declined as the Brazilian economy remained depressed, and the company continued to suffer from cyclically poor sales and profitability. Natura Cosméticos (Brazil: Consumer Staples) was weak amid concerns that it will use debt to fund its latest acquisition of The Body Shop from L'Oreal. Juhayna Food Industries (Egypt: Consumer Staples) continued to suffer as the Egyptian pound's devaluation led to increased production costs that the company has not fully passed on to customers.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Portfolio changes**

Significant purchases over the year included Mahindra & Mahindra (India: Consumer Discretionary), the holding company of one of the most respected and highest-quality family groups in India. The Fund bought Clicks (South Africa: Consumer Discretionary) and Corporativo Fragua (Mexico: Consumer Staples). Both are drug retail businesses with strong management teams that should benefit from the continued formalisation of the pharmaceutical retail market in South Africa and Mexico respectively.

The Fund sold Entel (Chile: Telecom Services) on concerns about the franchise and China Mengniu Dairy (Consumer Staples) on the belief that the company's quality deteriorated after it made poor capital allocation decisions. The Fund also sold Infosys Technologies (India: Information Technology) on governance concerns.

**Outlook**

The Fund remains defensively positioned and focused on companies with good quality management teams, conservative balance sheets and growing, but predictable cash flows. The Manager continues to look for companies that should benefit from and contribute to the sustainable development of global emerging markets over the long term.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.9	8.3	13.1	32.9	62.9	-	205.5
Benchmark return %	8.1	13.5	25.7	37.4	50.0	-	137.8
Sector return %	2.1	3.5	9.8	23.3	43.2	-	109.4
Quartile ranking	2	1	2	2	2	-	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	13.1	16.5	0.9	3.3	18.6

Benchmark: MSCI Emerging Markets Index.

Sector: IA Global Emerging Markets.

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Unilever	7.34	Marico	6.00	
Marico	4.90	Natura Cosmetics	5.74	
Natura Cosmetics	3.57	Unilever	5.05	
Tech Mahindra	3.41	Tech Mahindra	4.65	
Tata Consultancy Services	3.27	Banco Bradesco	3.68	
Standard Foods	2.86	Standard Foods	3.34	
Vitasoy International Holdings	2.59	Manila Water	3.08	
TOTVS	2.58	Dr Reddy's Laboratories	2.83	
Housing Development Finance	2.51	WEG	2.57	
Manila Water	2.46	Inversiones Aguas Metropolitanas	2.51	

**Types of shares**

Accumulation.

# Stewart Investors Global Emerging Markets Sustainability Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (6.40%*)</b>	<b>33,871</b>	<b>8.59</b>
1,364,732 PZ Cussons	4,917	1.25
668,286 Unilever	28,954	7.34
<b>PORTUGAL (0.56%*)</b>	<b>2,267</b>	<b>0.57</b>
152,459 Jeronimo Martins	2,267	0.57
<b>SWITZERLAND (1.08%*)</b>	<b>1,792</b>	<b>0.45</b>
1,057 SGS	1,792	0.45
<b>JAPAN (2.88%*)</b>	<b>13,545</b>	<b>3.44</b>
287,000 Kansai Paint	5,004	1.27
438,200 Unicharm	8,541	2.17
<b>BANGLADESH (0.67%*)</b>	<b>3,771</b>	<b>0.96</b>
4,586,492 BRAC Bank	3,771	0.96
<b>CHINA (1.03%*)</b>	-	-
<b>HONG KONG (2.37%*)</b>	<b>10,200</b>	<b>2.59</b>
6,276,000 Vitasoy International Holdings	10,200	2.59
<b>INDIA (23.39%*)</b>	<b>86,654</b>	<b>21.97</b>
1,284,323 Dabur India	4,713	1.20
280,997 Dr Reddy's Laboratories	7,929	2.01
466,195 Housing Development Finance	9,898	2.51
2,308,660 Idea Cellular	2,532	0.64
460,369 Kotak Mahindra Bank	5,594	1.42
236,660 Mahindra & Mahindra	3,952	1.00
4,880,981 Marico	19,309	4.90
435,981 Tata Consultancy Services	12,909	3.27
2,941,892 Tech Mahindra	13,451	3.41
693,483 Tube Investments of India	6,367	1.61
<b>PHILIPPINES (6.18%*)</b>	<b>19,932</b>	<b>5.05</b>
409,002 Ayala	5,342	1.35
3,088,189 Bank of the Philippine Islands	4,878	1.24
20,099,720 Manila Water	9,712	2.46
<b>SRI LANKA (0.45%*)</b>	<b>3,674</b>	<b>0.93</b>
5,036,288 Hemas Holdings	3,674	0.93
<b>TAIWAN (7.57%*)</b>	<b>33,271</b>	<b>8.44</b>
3,609,772 Chroma ATE	8,699	2.21
1,427,757 Delta Electronics	5,765	1.46
5,567,735 Standard Foods	11,268	2.86
1,396,154 Taiwan Semiconductor Manufacturing	7,539	1.91
<b>THAILAND (1.62%*)</b>	<b>5,244</b>	<b>1.33</b>
2,595,200 Delta Electronics Thailand	5,244	1.33
<b>BOTSWANA (0.57%*)</b>	<b>2,666</b>	<b>0.68</b>
6,883,673 Choppies Enterprises BSE	1,317	0.34
8,014,220 Choppies Enterprises JSE	1,349	0.34
<b>EGYPT (1.56%*)</b>	<b>5,515</b>	<b>1.40</b>
514,027 Commercial International Bank Egypt GDR	1,821	0.46
12,757,497 Juhayna Food Industries	3,694	0.94
<b>GHANA (0.20%*)</b>	<b>801</b>	<b>0.20</b>
512,072 Unilever Ghana	801	0.20

# Stewart Investors Global Emerging Markets Sustainability Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>NIGERIA (3.01%*)</b>	<b>17,415</b>	<b>4.42</b>
17,044,202 Chemical and Allied Products	1,179	0.30
66,442,338 Guaranty Trust Bank	5,409	1.37
674,771 Guaranty Trust Bank GDR	2,756	0.70
35,521,765 Lafarge Africa	4,372	1.11
44,853,531 Unilever Nigeria	3,699	0.94
23,257,386 Unilever Nigeria Rights Expiry 08/09/2017	-	-
<b>POLAND (0.88%*)</b>	<b>-</b>	<b>-</b>
<b>SOUTH AFRICA (7.11%*)</b>	<b>37,499</b>	<b>9.51</b>
163,673 Adbee Rf	466	0.12
1,476,436 Adcock Ingram Holdings	5,461	1.38
50,667 Adcock Ingram Holdings Warrants Expiry 26/07/2019	26	0.01
1,644,607 African Oxygen	1,777	0.45
259,201 Clicks Group	2,228	0.56
709,067 Remgro	8,787	2.23
984,575 Standard Bank Group	9,370	2.38
404,092 Tiger Brands	9,384	2.38
<b>BRAZIL (18.57%*)</b>	<b>50,701</b>	<b>12.86</b>
949,311 Banco Bradesco	6,835	1.73
1,398,800 Mahle-Metal Leve	5,798	1.47
2,339,300 Natura Cosmetics	14,060	3.57
1,344,684 Sul America	5,796	1.47
1,381,247 TOTVS	10,183	2.58
1,763,280 WEG	8,029	2.04
<b>CHILE (9.39%*)</b>	<b>27,542</b>	<b>6.98</b>
11,699,717 Aguas Andinas 'A' Shares	5,537	1.40
120,504,497 Cia Sud Americana de Vapores	4,222	1.07
6,701,813 Inversiones Aguas Metropolitanas	8,773	2.22
6,257,901 SONDA	9,010	2.29
<b>MEXICO (0.74%*)</b>	<b>8,077</b>	<b>2.05</b>
199,380 Corporativo Fragua	1,809	0.46
3,702,001 Grupo Herdez	6,268	1.59
<b>Portfolio of investments</b>	<b>364,437</b>	<b>92.42</b>
<b>Net other assets</b>	<b>29,882</b>	<b>7.58</b>
<b>Total net assets</b>	<b>394,319</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as GDRs represent Global Depositary Receipts.

# Stewart Investors Global Emerging Markets Sustainability Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	269.56	231.27	229.30
Return before operating charges*	40.57	42.29	6.12
Operating charges	(5.11)	(4.00)	(4.15)
Return after operating charges*	35.46	38.29	1.97
Distributions	(0.61)	(1.08)	(1.89)
Retained distributions on accumulation shares	0.61	1.08	1.89
Closing net asset value per share (p)	305.02	269.56	231.27
* after direct transaction costs of:	0.27	0.26	0.36
<b>Performance</b>			
Return after charges (%)	13.15%	16.56%	0.86%
<b>Other information</b>			
Closing net asset value (£'000)	7,914	7,826	20,010
Closing number of shares	2,594,640	2,903,231	8,652,497
Operating charges	1.76%	1.78%	1.72%
Direct transaction costs	0.09%	0.11%	0.15%
<b>Prices</b>			
Highest share price	310.63	272.76	262.55
Lowest share price	262.12	205.10	223.94

# Stewart Investors Global Emerging Markets Sustainability Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	283.16	241.16	237.67
Return before operating charges*	42.66	44.51	6.08
Operating charges	(3.07)	(2.51)	(2.59)
Return after operating charges*	39.59	42.00	3.49
Distributions	(2.88)	(2.92)	(3.50)
Retained distributions on accumulation shares	2.88	2.92	3.50
Closing net asset value per share (p)	322.75	283.16	241.16
* after direct transaction costs of:	0.28	0.28	0.38
<b>Performance</b>			
Return after charges (%)	13.98%	17.42%	1.47%
<b>Other information</b>			
Closing net asset value (£'000)	340,163	294,444	217,543
Closing number of shares	105,394,317	103,984,672	90,205,220
Operating charges	1.00%	1.06%	1.03%
Direct transaction costs	0.09%	0.11%	0.15%
<b>Prices</b>			
Highest share price	328.16	286.50	273.24
Lowest share price	276.01	214.65	232.62

# Stewart Investors Global Emerging Markets Sustainability Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	306.81	313.60	273.57
Return before operating charges*	27.00	(1.58)	45.49
Operating charges	(5.60)	(5.21)	(5.46)
Return after operating charges*	21.40	(6.79)	40.03
Distributions	(1.37)	(2.36)	(5.95)
Retained distributions on accumulation shares	1.37	2.36	5.95
Closing net asset value per share (c)	328.21	306.81	313.60
* after direct transaction costs of:	0.30	0.33	0.46
<b>Performance</b>			
Return after charges (%)	6.98%	(2.17)%	14.63%
<b>Other information</b>			
Closing net asset value (€'000)	11,046	9,976	9,411
Closing number of shares	3,365,626	3,251,520	3,001,304
Operating charges	1.73%	1.81%	1.79%
Direct transaction costs	0.09%	0.11%	0.15%
<b>Prices</b>			
Highest share price	349.11	320.24	346.12
Lowest share price	299.80	255.00	268.14

# Stewart Investors Global Emerging Markets Sustainability Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	164.77	167.72	146.78
Return before operating charges*	14.15	(1.36)	22.62
Operating charges	(1.74)	(1.59)	(1.68)
Return after operating charges*	12.41	(2.95)	20.94
Distributions	(1.63)	(1.87)	(2.57)
Retained distributions on accumulation shares	1.63	1.87	2.57
Closing net asset value per share (c)	177.18	164.77	167.72
* after direct transaction costs of:	0.16	0.18	0.25
<b>Performance</b>			
Return after charges (%)	7.53%	(1.76)%	14.27%
<b>Other information</b>			
Closing net asset value (€'000)	40,680	22,382	50,166
Closing number of shares	22,959,921	13,583,792	29,909,492
Operating charges	0.99%	1.05%	1.03%
Direct transaction costs	0.09%	0.11%	0.15%
<b>Prices</b>			
Highest share price	188.15	171.30	185.75
Lowest share price	161.15	136.51	143.90

# Stewart Investors Global Emerging Markets Sustainability Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		44,112		44,492
Revenue	3	7,933		6,812	
Expenses	4	(3,786)		(2,960)	
Interest payable and similar charges		(7)		(3)	
<b>Net revenue before taxation</b>		<b>4,140</b>		<b>3,849</b>	
Taxation	5	(778)		(617)	
<b>Net revenue after taxation</b>			<b>3,362</b>		<b>3,232</b>
<b>Total return before distributions</b>			<b>47,474</b>		<b>47,724</b>
Distributions	6		(3,362)		(3,240)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>44,112</b>		<b>44,484</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>329,555</b>		<b>279,550</b>
Amounts receivable on issue of shares	30,278		38,438	
Less: Amounts payable on cancellation of shares	(13,060)		(36,436)	
		17,218		2,002
Dilution adjustment		68		245
Change in net assets attributable to shareholders from investment activities		44,112		44,484
Retained distribution on accumulation shares		3,366		3,274
<b>Closing net assets attributable to shareholders</b>		<b>394,319</b>		<b>329,555</b>

Notes to the Financial Statements are on pages 268 to 273.

# Stewart Investors Global Emerging Markets Sustainability Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>364,437</u>	<u>317,140</u>
<b>Current assets</b>			
Debtors	8	1,178	1,259
Cash and bank balances		<u>29,413</u>	<u>15,813</u>
<b>Total assets</b>		<u><b>395,028</b></u>	<u><b>334,212</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(709)</u>	<u>(4,657)</u>
<b>Total liabilities</b>		<u><b>(709)</b></u>	<u><b>(4,657)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>394,319</b></u>	<u><b>329,555</b></u>

*Notes to the Financial Statements are on pages 268 to 273.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	44,843	44,022
Forward foreign exchange currency contracts	5	(6)
Currency (losses)/gains	(736)	476
Net capital gains	<u>44,112</u>	<u>44,492</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	708	572
Overseas taxable revenue	72	52
Overseas non-taxable revenue	6,061	5,388
Overseas scrip dividends	-	3
Interest from bank deposits	5	7
Interest on capital revenue from Brazilian companies	1,011	700
Initial Charge Revenue	76	90
Total revenue	<u>7,933</u>	<u>6,812</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>3,406</u>	<u>2,543</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>55</u>	<u>38</u>
<b>Other expenses:</b>		
Audit fee	11	9
Registrar fees	54	62
Safe custody charges	208	160
Other expenses	52	148
	<u>325</u>	<u>379</u>
Total expenses	<u>3,786</u>	<u>2,960</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	778	617
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	4,140	3,849
Corporation tax of 20% (2016: 20%)	828	770
<b>Effects of:</b>		
UK dividends*	(142)	(114)
Non-taxable scrip dividends*	-	(1)
Overseas non-taxable revenue*	(1,212)	(1,078)
Movement in excess management expenses	557	445
Irrecoverable overseas tax	778	617
Overseas tax expensed	(31)	(22)
Total tax charge for year (note 5a)	778	617

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,377,296 (31/07/16: £2,820,058); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	954	604
Final distribution	2,412	2,670
	3,366	3,274
Add: revenue deducted on cancellation of shares	32	76
Deduct: revenue received on issue of shares	(36)	(110)
Net distributions for the year	3,362	3,240

*Details of the distribution per share are set out in the Distribution Tables on pages 274 to 275.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	3,362	3,232
Movement in net income as a result of conversions	-	8
Net distributions for the year	3,362	3,240

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	416
Amounts receivable for issue of shares	291	134
Accrued revenue	837	657
Overseas tax recoverable	50	52
<b>Total debtors</b>	<b>1,178</b>	<b>1,259</b>

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	-	4,003
Amounts payable for cancellation of shares	239	256
Accrued expenses	470	398
<b>Total creditors</b>	<b>709</b>	<b>4,657</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	73,633	71,565	71,482	66,917
Trades in the year before transaction costs	73,633	71,565	71,482	66,917
<b>Commissions</b>				
Equities	95	93	(72)	(80)
<b>Taxes</b>				
Equities	119	77	(52)	(64)
<b>Total costs</b>	<b>214</b>	<b>170</b>	<b>(124)</b>	<b>(144)</b>
<b>Total net trades in the year after transaction costs</b>	<b>73,847</b>	<b>71,735</b>	<b>71,358</b>	<b>66,773</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.13	0.13	0.10	0.12
<b>Taxes</b>				
Equities	0.16	0.11	0.07	0.10

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.04	0.06
Taxes	0.05	0.05
<b>Total costs</b>	<b>0.09</b>	<b>0.11</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 1.61% (31/07/2016: 0.46%).

as at 31 July 2017

#### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

#### 12. Derivatives and other financial instruments

##### (a) General

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

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

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

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

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

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

##### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£36,443,670) (31/07/16: £31,713,98).

##### (b) Interest-rate risk

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

As at 31 July 2017, 7.46% (31/07/2016: 4.80%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Global Emerging Markets Sustainability Fund would be an increase or decrease of approximately £73,533 (31/07/16: 39,531).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Bangladeshi taka	3,771	2,206
Botswana pula	1,317	1,893
Brazilian real	50,779	59,514
Chilean peso	27,542	33,140
Egyptian pound	3,694	3,333
Euro	2,207	1,867
Ghanaian cedi	805	671
Hong Kong dollar	10,200	11,187
Indian rupee	87,338	77,599
Japanese yen	13,569	8,764
Mexican peso	8,077	2,445
Nigerian naira	14,770	7,905
Philippine peso	19,932	20,523
Polish zloty	-	2,896
South African rand	38,848	23,453
Sri Lankan rupee	3,674	1,485
Swiss franc	1,843	3,613
Taiwanese dollar	33,272	24,965
Thai baht	5,508	5,324
US dollar	19,185	5,975
Total	<u>346,331</u>	<u>298,758</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.39% (17,316,529) (31/07/16: 4.53% (£14,937,903)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £309,861 (31/07/16: £241,910) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.04% (31/07/16: 0.10%) of the net asset value of the Fund.

As at the 31 July 2017, close family members of the Directors of the ACD had a combined holding in share class B Accumulation of 0.02%.

**Material Shareholders**

Environment Agency Active Pension Fund, Bank Lombard Odier & Co Limited, Trossamfundet Svenska Kyrkan and FundSettle EOC Nominees Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 24%, 23.9%, 11.4% and 10.4% of the Fund's shares in issue respectively.

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 14. Share classes

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.55
Share class B Accumulation (Institutional):	0.90
Share class A Accumulation (EUR share class) (Retail):	1.55
Share class B Accumulation (EUR share class) (Institutional):	0.90

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 262 to 265.

The distributions per share class are given in the Distribution Tables on pages 274 to 275.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	2,903,231	58,535	(299,421)	(67,705)	2,594,640
Share class B Accumulation (Institutional)	103,984,672	2,740,566	(1,395,198)	64,277	105,394,317
Share class A Accumulation (EUR share class) (Retail)	3,251,520	680,445	(566,339)	-	3,365,626
Share class B Accumulation (EUR share class) (Institutional)	13,583,792	13,461,101	(4,084,972)	-	22,959,921

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	364,437	-	317,140	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>364,437</u>	<u>-</u>	<u>317,140</u>	<u>-</u>

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

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

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

# Stewart Investors Global Emerging Markets Sustainability Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.6107	-	0.6107	1.0761
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.4458	0.1649	0.6107	1.0761

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.8572	-	0.8572	0.5896
Final	2.0252	-	2.0252	2.3326
Group 2	(p)	(p)	(p)	(p)
Interim	0.2729	0.5843	0.8572	0.5896
Final	1.4048	0.6204	2.0252	2.3326

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.3550	-	0.3550	0.5587
Final	1.0183	-	1.0183	1.8054
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.3550	0.3550	0.5587
Final	0.6022	0.4161	1.0183	1.8054

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.5069	-	0.5069	0.4368
Final	1.1230	-	1.1230	1.4286
Group 2	(c)	(c)	(c)	(c)
Interim	0.1276	0.3793	0.5069	0.4368
Final	0.9762	0.1468	1.1230	1.4286

**Distribution Tables**

(continued)

for the year ended 31 July 2017

**Corporate tax for all share classes (unaudited)**

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

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

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

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

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

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

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

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

# First State Global Resources Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests in equities in the natural resources and energy sectors worldwide.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

**Single sector risk:** investing in a single sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps spread risk.

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

### Performance

The Fund rose by 10.9% in sterling terms over the year and has provided cumulative returns of -6.5% and -5.9% over three and five years respectively to 31 July 2017.

### Portfolio changes

In the past year, the Fund's exposure to large-cap companies, especially Integrated Oil Companies, was reduced in favour of catalyst rich and higher growth small to intermediate-cap producers with high quality development projects, low costs and balance sheet strength. While the broader exposure to energy was reduced, the copper sector weighting was increased on improving market fundamentals. Positions in global diversified miners were also increased due to their favourable commodity mix, continued capital discipline, rising profitability, free cash flow generation and operational transformation strategies.

### Outlook

We are constructive on the outlook for the mining sector. While inventories remain stubbornly high across several commodities, Chinese capacity constraints and unprecedented disruptions have limited supply growth in others. Global economic growth is improving, though we expect moderate demand growth for most commodities in the near term. The drawdown in inventories will remain beholden to dynamics on the supply side, in our view. With OPEC maintaining its lower production ceiling, Saudi Arabia committing to limit its crude exports, and supplies of oil in US storage tanks starting to recede, we have renewed confidence in the oil market. Despite the recent rally in commodity prices, mining equity valuations are particularly undemanding and attractively priced on several metrics, in our view.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

## Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	6.1	(5.8)	10.9	(6.5)	(5.9)	3.6	177.5
Benchmark return %	6.1	(3.8)	15.6	5.5	4.1	22.4	267.9
Sector return %	4.1	7.0	17.6	48.3	94.3	108.6	242.5
Quartile ranking	1	4	4	4	4	4	4

## Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	10.9	32.7	(36.5)	11.0	(9.4)

Benchmark: 75% Euromoney Global Mining Index and 25% MSCI All Country World Energy Index. (Note: The benchmark changed from the HSBC Global Mining Index to the above on 01/10/2013).

Sector: IA Global.

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

## Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
BHP Billiton	9.94	Exxon Mobil	7.34	
Rio Tinto	6.69	Rio Tinto	5.68	
Glencore	5.67	BHP Billiton	5.61	
Vale ADR	5.06	Franco-Nevada	3.98	
Chevron	3.53	Glencore	3.75	
Franco-Nevada	2.94	Goldcorp	3.54	
Enbridge	2.76	Silver Wheaton	3.10	
First Quantum Minerals	2.71	Royal Dutch Shell 'B'	3.03	
Goldcorp	2.39	BHP Billiton	3.01	
Teck Resources	2.34	Chevron	2.76	

## Types of shares

Accumulation.

# First State Global Resources Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (15.58%*)‡</b>	<b>56,347</b>	<b>11.84</b>
251,275 Anglo American	3,162	0.67
1,052,991 BHP Billiton	14,526	3.05
215,663 Fresnillo	3,296	0.69
7,991,413 Glencore	26,991	5.67
370,613 KAZ Minerals	2,707	0.57
5,882,430 Petra Diamonds	5,665	1.19
<b>UNITED STATES (17.09%*)</b>	<b>64,464</b>	<b>13.55</b>
203,796 Chevron	16,807	3.53
95,239 Concho Resources	9,468	1.99
58,297 EQT	2,936	0.62
142,472 Exxon Mobil	8,640	1.82
179,105 Halliburton	5,857	1.23
295,236 Patterson-UTL Energy	4,389	0.92
101,948 Schlumberger	5,318	1.12
367,481 Southern Copper	11,049	2.32
<b>CANADA (41.74%*)</b>	<b>200,000</b>	<b>42.02</b>
4,295,750 Africa Energy	446	0.09
156,276 Agnico Eagle Mines	5,613	1.18
697,900 Alamos Gold 'A' Shares	3,751	0.79
1,097,553 Almonty Industries	141	0.03
250,573 ARC Resources	2,663	0.56
826,637 Cameco	6,614	1.39
387,832 Canadian Natural Resources	9,115	1.91
1,579,117 Capstone Mining	1,128	0.24
2,276,232 Copper Mountain Mining	1,418	0.30
743,433 Detour Gold	7,143	1.50
420,585 Enbridge	13,135	2.76
388,200 Endeavour Mining	5,627	1.18
4,315,500 Erdene Resource Development	2,188	0.46
1,570,844 First Quantum Minerals	12,895	2.71
254,276 Franco-Nevada	13,982	2.94
367,829 Gibson Energy	3,599	0.76
1,145,900 Goldcorp	11,352	2.39
11,586,242 Highland Copper	637	0.13
3,070,000 Highland Copper Warrants 17/03/2018	-	-
651,076 Hudbay Minerals	3,794	0.80
1,125,173 Ivanhoe Mines	3,278	0.69
96,214 Kennady Diamonds	199	0.04
1,162,258 Lucara Diamond	1,874	0.39
1,675,104 Lundin Mining	8,881	1.87
717,000 MAG Silver	7,353	1.54
1,638,657 Mountain Province Diamonds	5,004	1.05
926,052 OceanaGold	1,912	0.40
265,566 PrairieSky Royalty	5,012	1.05
907,500 Pretium Resources	6,657	1.40
409,640 Seven Generations Energy 'A' Shares	5,557	1.17
405,478 Suncor Energy	9,993	2.10
691,824 Teck Resources	11,134	2.34
848,085 TMAC Resources	5,952	1.25
207,751 Torex Gold Resources	2,858	0.60

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
5,650,000 Trevali Mining	4,417	0.93
5,499,500 Trevali Mining Voting Rights	4,300	0.90
996,211 Trican Well Service	2,276	0.48
520,160 Wheaton Precious Metals	8,102	1.70
<b>DENMARK (0.18%*)</b>	<b>2,353</b>	<b>0.49</b>
31,544 Vestas Wind Systems	2,353	0.49
<b>FRANCE (0.00%*)</b>	<b>5,232</b>	<b>1.10</b>
135,047 TOTAL	5,232	1.10
<b>GERMANY (0.23%*)</b>	-	-
<b>LUXEMBOURG (0.00%*)</b>	<b>3,085</b>	<b>0.65</b>
255,064 Tenaris	3,085	0.65
<b>SPAIN (0.57%*)</b>	<b>2,346</b>	<b>0.49</b>
238,710 Acerinox	2,346	0.49
<b>SWEDEN (1.17%*)</b>	<b>4,339</b>	<b>0.91</b>
181,358 Boliden	4,339	0.91
<b>AUSTRALIA (17.31%*)</b>	<b>90,193</b>	<b>18.95</b>
18,435,782 Beadell Resources	2,072	0.44
2,088,284 BHP Billiton	32,789	6.89
2,041,025 Evolution Mining	2,752	0.58
2,649,815 Independence Group	4,845	1.02
25,779,015 Metro Mining	2,583	0.54
4,694,534 Mineral Deposits	2,010	0.42
4,438,047 Paranga Resources	1,119	0.24
797,331 Rio Tinto	31,862	6.69
14,806,578 Sundance Energy Australia	593	0.12
3,935,126 Western Areas	5,641	1.19
2,177,107 Whitehaven Coal	3,927	0.82
<b>CHINA (1.63%*)</b>	<b>2,369</b>	<b>0.50</b>
1,249,000 China Shenhua Energy 'H' Shares	2,369	0.50
<b>SOUTH KOREA (1.39%*)</b>	<b>2,273</b>	<b>0.48</b>
10,192 LG Chem	2,273	0.48
<b>SOUTH AFRICA (0.42%*)</b>	<b>2,246</b>	<b>0.47</b>
52,595 Anglo American Platinum	980	0.20
718,716 Royal Bafokeng Platinum	1,266	0.27
<b>BRAZIL (0.00%)</b>	<b>24,078</b>	<b>5.06</b>
3,495,565 Vale ADR	24,078	5.06
<b>CHILE (0.00%)‡</b>	<b>6,057</b>	<b>1.27</b>
636,527 Antofagasta	6,057	1.27
<b>MEXICO (0.95%*)</b>	<b>3,027</b>	<b>0.64</b>
159,100 Industrias Penoles	3,027	0.64
<b>Portfolio of investments</b>	<b>468,409</b>	<b>98.42</b>
<b>Net other assets</b>	<b>7,510</b>	<b>1.58</b>
<b>Total net assets</b>	<b>475,919</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as ADRs represent American Depositary Receipts.

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# First State Global Resources Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	249.74	188.84	296.55
Return before operating charges*	31.70	64.03	(103.69)
Operating charges	(4.43)	(3.13)	(4.02)
Return after operating charges*	27.27	60.90	(107.71)
Distributions	(0.59)	(1.59)	(2.04)
Retained distributions on accumulation shares	0.59	1.59	2.04
Closing net asset value per share (p)	277.01	249.74	188.84
* after direct transaction costs of:	0.44	0.35	0.48
<b>Performance</b>			
Return after charges (%)	10.92%	32.25%	(36.32)%
<b>Other information</b>			
Closing net asset value (£'000)	53,932	59,301	59,671
Closing number of shares	19,469,193	23,745,251	31,599,176
Operating charges	1.63%	1.67%	1.63%
Direct transaction costs	0.16%	0.19%	0.20%
<b>Prices</b>			
Highest share price	308.05	255.09	296.72
Lowest share price	238.61	142.47	184.20

# First State Global Resources Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	271.39	203.51	317.01
Return before operating charges*	34.55	69.59	(111.35)
Operating charges	(2.43)	(1.71)	(2.15)
Return after operating charges*	32.12	67.88	(113.50)
Distributions	(3.06)	(3.41)	(4.32)
Retained distributions on accumulation shares	3.06	3.41	4.32
Closing net asset value per share (p)	303.51	271.39	203.51
* after direct transaction costs of:	0.48	0.39	0.52
<b>Performance</b>			
Return after charges (%)	11.84%	33.35%	(35.80)%
<b>Other information</b>			
Closing net asset value (£'000)	382,869	373,598	225,863
Closing number of shares	126,148,620	137,658,583	110,983,058
Operating charges	0.82%	0.84%	0.82%
Direct transaction costs	0.16%	0.19%	0.20%
<b>Prices</b>			
Highest share price	336.25	277.10	317.29
Lowest share price	259.50	154.16	198.50

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	66.34	59.98	83.68
Return before operating charges*	4.23	7.28	(22.54)
Operating charges	(1.13)	(0.92)	(1.16)
Return after operating charges*	3.10	6.36	(23.70)
Distributions	(0.18)	(0.48)	(0.66)
Retained distributions on accumulation shares	0.18	0.48	0.66
Closing net asset value per share (c)	69.44	66.34	59.98
* after direct transaction costs of:	0.12	0.11	0.14
<b>Performance</b>			
Return after charges (%)	4.67%	10.60%	(28.32)%
<b>Other information</b>			
Closing net asset value (€'000)	26,342	28,119	17,446
Closing number of shares	37,935,896	42,385,769	29,087,540
Operating charges	1.59%	1.63%	1.58%
Direct transaction costs	0.16%	0.19%	0.20%
<b>Prices</b>			
Highest share price	81.22	68.54	83.29
Lowest share price	63.49	41.29	58.29

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	72.59	65.09	90.09
Return before operating charges*	4.62	8.01	(24.38)
Operating charges	(0.63)	(0.51)	(0.62)
Return after operating charges*	3.99	7.50	(25.00)
Distributions	(0.79)	(0.96)	(1.36)
Retained distributions on accumulation shares	0.79	0.96	1.36
Closing net asset value per share (c)	76.58	72.59	65.09
* after direct transaction costs of:	0.13	0.12	0.15
<b>Performance</b>			
Return after charges (%)	5.50%	11.52%	(27.75)%
<b>Other information</b>			
Closing net asset value (€'000)	17,415	7,808	5,472
Closing number of shares	22,740,053	10,754,328	8,406,935
Operating charges	0.82%	0.82%	0.80%
Direct transaction costs	0.16%	0.19%	0.20%
<b>Prices</b>			
Highest share price	89.26	74.97	89.68
Lowest share price	69.53	44.99	63.25

# First State Global Resources Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		49,222		119,064
Revenue	3	10,395		8,963	
Expenses	4	(4,784)		(3,336)	
Interest payable and similar charges		(20)		(8)	
<b>Net revenue before taxation</b>		<b>5,591</b>		<b>5,619</b>	
Taxation	5	(1,155)		(706)	
<b>Net revenue after taxation</b>			<b>4,436</b>		<b>4,913</b>
<b>Total return before distributions</b>			<b>53,658</b>		<b>123,977</b>
Distribution	6		(4,440)		(4,944)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>49,218</b>		<b>119,033</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>463,194</b>		<b>301,689</b>
Amounts receivable on issue of shares	75,934		138,081	
Less: Amounts payable on cancellation of shares	(116,760)		(101,303)	
		(40,826)		36,778
Dilution adjustment		25		294
Change in net assets attributable to shareholders from investment activities		49,218		119,033
Retained distribution on accumulation shares		4,308		5,400
<b>Closing net assets attributable to shareholders</b>		<b>475,919</b>		<b>463,194</b>

Notes to the Financial Statements are on pages 286 to 291.

# First State Global Resources Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>468,409</u>	<u>455,120</u>
<b>Current assets</b>			
Debtors	8	1,378	6,547
Cash and bank balances		<u>6,797</u>	<u>10,905</u>
<b>Total assets</b>		<u><b>476,584</b></u>	<u><b>472,572</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(665)</u>	<u>(9,378)</u>
<b>Total liabilities</b>		<u><b>(665)</b></u>	<u><b>(9,378)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>475,919</b></u>	<u><b>463,194</b></u>

*Notes to the Financial Statements are on pages 286 to 291.*

# First State Global Resources Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	48,815	117,694
Forward foreign exchange currency contracts	(30)	(1)
Currency gains	437	1,371
Net capital gains	<u>49,222</u>	<u>119,064</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	1,043	993
Overseas taxable revenue	23	65
Overseas non-taxable revenue	8,506	7,901
Interest from bank deposits	4	4
Interest on capital revenue from Brazilian companies	819	-
Total revenue	<u>10,395</u>	<u>8,963</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	4,400	3,006
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	75	47
<b>Other expenses:</b>		
Audit fee	11	9
Registrar fees	206	201
Safe custody charges	33	18
Other expenses	59	55
	<u>309</u>	<u>283</u>
Total expenses	<u>4,784</u>	<u>3,336</u>

as at 31 July 2017

**5. Taxation**

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	1,155	706
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	5,591	5,619
Corporation tax of 20% (2016: 20%)	1,118	1,124
<b>Effects of:</b>		
UK dividends*	(208)	(199)
Overseas non-taxable revenue*	(1,701)	(1,580)
Movement in excess management expenses	816	655
Irrecoverable overseas tax	1,155	706
Overseas tax expensed	(25)	-
Total tax charge for year (note 5a)	1,155	706

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,895,708 (31/07/16: £8,079,310); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	1,400	3,362
Final distribution	2,908	2,039
	4,308	5,401
Add: revenue deducted on cancellation of shares	307	527
Deduct: revenue received on issue of shares	(175)	(984)
Net distributions for the year	4,440	4,944

*Details of the distribution per share are set out in the Distribution Tables on pages 292 to 293.*

**7. Movement between net revenue and net distributions**

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	4,436	4,913
Movement in net income as a result of conversions	4	31
Net distributions for the year	4,440	4,944

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	483	810
Amounts receivable for issue of shares	794	5,678
Accrued revenue	73	50
Overseas tax recoverable	28	9
<b>Total debtors</b>	<b>1,378</b>	<b>6,547</b>

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	35	7,204
Amounts payable for cancellation of shares	83	1,761
Accrued expenses	547	413
<b>Total creditors</b>	<b>665</b>	<b>9,378</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	251,573	213,762	287,166	175,285
Trades in the year before transaction costs	251,573	213,762	287,166	175,285
<b>Commissions</b>				
Equities	356	272	(334)	(203)
<b>Taxes</b>				
Equities	77	161	(37)	(3)
<b>Total costs</b>	<b>433</b>	<b>433</b>	<b>(371)</b>	<b>(206)</b>
<b>Total net trades in the year after transaction costs</b>	<b>252,006</b>	<b>214,195</b>	<b>286,795</b>	<b>175,079</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.14	0.13	0.12	0.12
<b>Taxes</b>				
Equities	0.03	0.08	0.01	0.00

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.14	0.14
Taxes	0.02	0.05
<b>Total costs</b>	<b>0.16</b>	<b>0.19</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.33% (31/07/2016: 0.34%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

as at 31 July 2017

## 12. Derivatives and other financial instruments

### (a) General

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

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

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

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

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

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

### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£46,840,877) (31/07/16: £45,512,030).

### (b) Interest-rate risk

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

As at 31 July 2017, 1.43% (31/07/2016: 2.35%) of the Fund's assets were interest-bearing.

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

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	90,198	80,271
Canadian dollar	201,532	194,334
Danish krone	2,394	813
Euro	11,271	5,304
Hong Kong dollar	3,294	8,221
Mexican peso	3,123	4,436
South African rand	2,247	1,967
South Korean won	2,273	6,442
Swedish krona	4,608	5,558
US dollar	89,125	79,333
Total	<u>410,065</u>	<u>386,679</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.31% (£20,503,246) (31/07/16: 4.17% (£19,333,934)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £340,592 (31/07/16: £324,976) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.31% (31/07/16: 0.13%) of the net asset value of the Fund.

As at 31 July 2017, HTSG A/C First State, a related party of the ACD, owned 52.24% (31/07/16: 49.61%) of the net asset value of the Fund.

**14. Share classes**

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.50
Share class B Accumulation (Institutional):	0.75
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class B Accumulation (EUR share class) (Institutional):	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 280 to 283.

The distributions per share class are given in the Distribution Tables on pages 292 to 293.

All share classes have the same rights on winding up.

as at 31 July 2017

## Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	23,745,251	3,726,226	(7,443,649)	(558,635)	19,469,193
Share class B Accumulation (Institutional)	137,658,583	9,567,908	(21,589,746)	511,875	126,148,620
Share class A Accumulation (EUR share class) (Retail)	42,385,769	42,649,543	(47,094,822)	(4,594)	37,935,896
Share class B Accumulation (EUR share class) (Institutional)	10,754,328	15,125,067	(3,143,514)	4,172	22,740,053

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	468,409	-	455,120	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	468,409	-	455,120	-

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

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

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

# First State Global Resources Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	1.1893
Final	0.5895	-	0.5895	0.4047
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	1.1893
Final	0.2023	0.3872	0.5895	0.4047

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.9779	-	0.9779	2.0568
Final	2.0813	-	2.0813	1.3553
Group 2	(p)	(p)	(p)	(p)
Interim	0.0522	0.9257	0.9779	2.0568
Final	0.8049	1.2764	2.0813	1.3553

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	0.3607
Final	0.1766	-	0.1766	0.1220
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	0.3607
Final	0.0583	0.1183	0.1766	0.1220

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.2570	-	0.2570	0.5972
Final	0.5292	-	0.5292	0.3645
Group 2	(c)	(c)	(c)	(c)
Interim	-	0.2570	0.2570	0.5972
Final	0.2069	0.3223	0.5292	0.3645

## Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# Stewart Investors Worldwide Equity Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

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

The Fund may invest in any industry.

### Risks and reward profile

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

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

\* The SRRI changed from 5 to 4 on 24 March 2017.

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 13.7% in sterling terms over the year and has provided cumulative returns of 55.4% and 79.7% over three and five years respectively to 31 July 2017.

Berkshire Hathaway (US: Financials) gained as the market anticipated less regulation for financials, friendlier policies towards oil and coal, and a greater infrastructure spend after Donald Trump's election victory - all policies that should benefit Berkshire's investments. Unilever (UK: Consumer Staples) rose on the back of the attempted takeover by Kraft Heinz and management's response of a new plan to improve margins, and Henkel (Germany: Consumer Staples) climbed on margin improvement.

On the negative side, Natura Cosmeticos (Brazil: Consumer Staples) experienced a difficult environment with the evolution of its business model, changes in management and a subdued consumer. Brambles (Australia: Industrials) declined due to competitive pressures in the US and Newcrest Mining (Australia: Materials) because of the subdued gold price.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Portfolio changes**

Significant new positions established during the year included Beiersdorf (Germany: Consumer Staples), a well-run family-owned consumer franchise with reasonable long-term potential for growth in cash flows, and Tata Consultancy Services (India: Information Technology), a strong IT franchise backed by a family we have backed for a long period of time, which was reasonably valued. The Fund also bought W. W. Grainger (US: Industrials), a quality US industrial company that is undergoing positive change, spurred on by a new chief executive officer.

The Fund sold Banco Bradesco (Brazil: Financials) and Nestle (Switzerland: Consumer Staples) on valuation concerns. The Fund also sold Waters Corporation (US: Health Care) because of management changes and a high valuation.

**Outlook**

The Manager perceives many risks in the global economy, including the speed and extent of the increase in credit levels in the Chinese economy and the likely geopolitical disruptions resulting from the gradual shift away from fossil fuels towards renewables. However, the Manager believes the far greater risk is that the many potential challenges facing companies and society are not sufficiently reflected in asset prices. This is why the Manager continues to hold high cash levels on behalf of clients.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.9	7.7	13.7	55.4	79.7	-	82.7
Benchmark return %	3.6	6.4	17.9	53.5	98.9	-	100.3
Sector return %	4.1	7.0	17.6	48.3	94.3	-	92.0
Quartile ranking	4	2	4	2	4	-	3

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	13.7	23.4	10.8	(2.5)	18.6

Benchmark: MSCI World Index.

Sector: IA Global.

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Henkel	9.21	Henkel	9.22	
Unilever	7.60	United States Treasury Bill 0% 29/09/2016	8.95	
Berkshire Hathaway 'A'	5.79	Unilever	8.43	
Beiersdorf	4.92	Berkshire Hathaway 'A'	5.62	
Loews	4.08	Waters	3.55	
Tata Consultancy Services	3.58	Markel	3.39	
United States Treasury Bill 0% 07/09/2017	3.53	Nestle	3.07	
Oversea-Chinese Banking	3.00	Merck	3.04	
Unicharm	2.85	Unicharm	2.95	
PZ Cussons	2.72	Oversea-Chinese Banking	2.36	

**Types of shares**

Income and Accumulation.

# Stewart Investors Worldwide Equity Fund

## Portfolio Statement

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (12.03%*)‡</b>	<b>7,160</b>	<b>16.03</b>
52,149 GlaxoSmithKline	794	1.78
1,196,626 Lloyds Banking Group	786	1.76
337,280 PZ Cussons	1,215	2.72
369,857 Tesco	645	1.44
190,009 Tullow Oil	324	0.73
78,375 Unilever	3,396	7.60
<b>UNITED STATES (28.92%*)</b>	<b>8,101</b>	<b>18.14</b>
13 Berkshire Hathaway 'A' Shares	2,587	5.79
18,903 First of Long Island	400	0.90
8,265 Kirby	393	0.88
49,595 Loews	1,823	4.08
540 Markel	436	0.98
7,035 WW Grainger	886	1.98
<b>Cash and Short Term</b>		
USD2,070,300 United States Treasury Bill 0% 07/09/2017	1,576	3.53
<b>DENMARK (0.00%*)</b>	<b>632</b>	<b>1.42</b>
19,706 Novo Nordisk 'B' Shares	632	1.42
<b>GERMANY (13.37%*)</b>	<b>7,438</b>	<b>16.66</b>
26,447 Beiersdorf	2,196	4.92
5,986 Draegerwerk	379	0.85
43,273 Henkel	4,114	9.21
8,984 Merck	749	1.68
<b>NORWAY (0.60%*)</b>	<b>296</b>	<b>0.66</b>
27,890 Tomra Systems	296	0.66
<b>SWITZERLAND (6.70%*)</b>	<b>869</b>	<b>1.95</b>
20,671 Energiedienst Holding	428	0.96
260 SGS	441	0.99
<b>JAPAN (4.96%*)</b>	<b>2,417</b>	<b>5.41</b>
52,400 Asics	724	1.62
24,000 Kansai Paint	418	0.94
65,400 Unicharm	1,275	2.85
<b>AUSTRALIA (1.84%*)</b>	<b>1,553</b>	<b>3.48</b>
144,940 Brambles	813	1.82
60,390 Newcrest Mining	740	1.66
<b>HONG KONG (0.00%*)</b>	<b>819</b>	<b>1.83</b>
134,000 Texwinca Holdings	62	0.14
466,000 Vitasoy International Holdings	757	1.69
<b>INDIA (3.52%*)</b>	<b>2,898</b>	<b>6.49</b>
53,995 Tata Consultancy Services	1,599	3.58
44,657 United Breweries	432	0.97
253,130 Wipro	867	1.94
<b>MALAYSIA (0.92%*)</b>	-	-
<b>PHILIPPINES (1.10%*)</b>	-	-

# Stewart Investors Worldwide Equity Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>SINGAPORE (2.36%*)</b>		
210,072 Oversea-Chinese Banking	1,340	3.00
<b>NIGERIA (0.27%*)</b>		
1,778,865 Unilever Nigeria	147	0.33
922,374 Unilever Nigeria Rights Expiry 08/09/2017	-	-
<b>SOUTH AFRICA (3.12%*)</b>		
36,496 Remgro	452	1.01
90,374 Standard Bank Group	860	1.93
<b>BRAZIL (4.46%*)</b>		
117,735 Duratex	224	0.50
118,711 Natura Cosméticos	713	1.60
<b>CHILE (5.26%*)‡</b>		
50,634 Antofagasta	482	1.08
43,205 Cia Cervecerias Unidas	434	0.97
6,866,466 Cia Sud Americana de Vapores	241	0.54
9,710,128 Sociedad Matriz SAAM	774	1.73
<b>Portfolio of investments</b>	<b>37,850</b>	<b>84.76</b>
<b>Net other assets</b>	<b>6,807</b>	<b>15.24</b>
<b>Total net assets</b>	<b>44,657</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# Stewart Investors Worldwide Equity Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	160.52	130.09	117.42
Return before operating charges*	25.45	33.11	15.13
Operating charges	(3.36)	(2.68)	(2.46)
Return after operating charges*	22.09	30.43	12.67
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share (p)	182.61	160.52	130.09
* after direct transaction costs of:	0.19	0.08	0.11
<b>Performance</b>			
Return after charges (%)	13.76%	23.39%	10.79%
<b>Other information</b>			
Closing net asset value (£'000)	3,008	2,438	2,077
Closing number of shares	1,647,249	1,518,995	1,596,511
Operating charges	1.95%	2.00%	1.96%
Direct transaction costs	0.11%	0.06%	0.09%
<b>Prices</b>			
Highest share price	186.99	162.09	137.55
Lowest share price	159.10	119.55	113.66

# Stewart Investors Worldwide Equity Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	162.70	131.86	119.12
Return before operating charges*	25.82	33.56	15.25
Operating charges	(3.42)	(2.72)	(2.51)
Return after operating charges*	22.40	30.84	12.74
Distributions	-	-	-
Closing net asset value per share (p)	185.10	162.70	131.86
* after direct transaction costs of:	0.19	0.08	0.11
<b>Performance</b>			
Return after charges (%)	13.77%	23.39%	10.70%
<b>Other information</b>			
Closing net asset value (£'000)	73	67	107
Closing number of shares	39,656	40,955	81,220
Operating charges	1.95%	2.03%	1.96%
Direct transaction costs	0.11%	0.06%	0.09%
<b>Prices</b>			
Highest share price	189.54	164.29	139.55
Lowest share price	161.26	121.18	115.30

# Stewart Investors Worldwide Equity Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	166.53	134.05	120.17
Return before operating charges*	26.51	34.31	15.51
Operating charges	(2.27)	(1.83)	(1.63)
Return after operating charges*	24.24	32.48	13.88
Distributions	(0.21)	(0.10)	(0.87)
Retained distributions on accumulation shares	0.21	0.10	0.87
Closing net asset value per share (p)	190.77	166.53	134.05
* after direct transaction costs of:	0.20	0.09	0.12
<b>Performance</b>			
Return after charges (%)	14.56%	24.23%	11.55%
<b>Other information</b>			
Closing net asset value (£'000)	24,187	15,996	11,449
Closing number of shares	12,678,242	9,605,466	8,540,782
Operating charges	1.26%	1.31%	1.26%
Direct transaction costs	0.11%	0.06%	0.09%
<b>Prices</b>			
Highest share price	195.20	168.11	141.45
Lowest share price	165.08	123.25	116.49

# Stewart Investors Worldwide Equity Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	145.24	116.97	105.53
Return before operating charges*	23.13	29.95	13.64
Operating charges	(1.94)	(1.54)	(1.37)
Return after operating charges*	21.19	28.41	12.27
Distributions	(0.18)	(0.14)	(0.83)
Closing net asset value per share (p)	166.25	145.24	116.97
* after direct transaction costs of:	0.17	0.08	0.10
<b>Performance</b>			
Return after charges (%)	14.59%	24.29%	11.63%
<b>Other information</b>			
Closing net asset value (£'000)	9,143	7,870	6,262
Closing number of shares	5,499,260	5,418,811	5,353,511
Operating charges	1.23%	1.27%	1.20%
Direct transaction costs	0.11%	0.06%	0.09%
<b>Prices</b>			
Highest share price	170.28	146.75	124.12
Lowest share price	143.97	107.53	102.31

# Stewart Investors Worldwide Equity Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	151.29	145.58	115.94
Return before operating charges*	14.20	7.46	31.22
Operating charges	(1.92)	(1.75)	(1.58)
Return after operating charges*	12.28	5.71	29.64
Distributions	(0.22)	(0.17)	(1.00)
Retained distributions on accumulation shares	0.22	0.17	1.00
Closing net asset value per share (c)	163.57	151.29	145.58
* after direct transaction costs of:	0.17	0.09	0.12
<b>Performance</b>			
Return after charges (%)	8.12%	3.92%	25.56%
<b>Other information</b>			
Closing net asset value (€'000)	6,331	5,504	4,805
Closing number of shares	3,870,471	3,637,771	3,300,567
Operating charges	1.20%	1.24%	1.21%
Direct transaction costs	0.11%	0.06%	0.09%
<b>Prices</b>			
Highest share price	170.90	153.04	150.13
Lowest share price	148.67	128.39	111.83

# Stewart Investors Worldwide Equity Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	107.78	102.46	100.00
Return before operating charges*	16.58	6.56	3.57
Operating charges	(1.34)	(1.24)	(1.11)
Return after operating charges*	15.24	5.32	2.46
Distributions	-	(0.12)	(0.57)
Retained distributions on accumulation shares	-	0.12	0.57
Closing net asset value per share (c)	123.02	107.78	102.46
* after direct transaction costs of:	0.12	0.06	0.09
<b>Performance</b>			
Return after charges (%)	14.14%	5.19%	2.46%
<b>Other information</b>			
Closing net asset value (\$'000)	3,395	9,213	8,712
Closing number of shares	2,759,414	8,547,565	8,502,000
Operating charges	1.21%	1.25%	1.20%
Direct transaction costs	0.11%	0.06%	0.09%
<b>Prices</b>			
Highest share price	123.30	108.38	103.94
Lowest share price	103.29	90.28	91.37

Share class B Accumulation (USD share class) was launched on 28 August 2014.

## Stewart Investors Worldwide Equity Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		5,598		7,234
Revenue	3	625		473	
Expenses	4	(537)		(401)	
Interest payable and similar charges		-		-	
<b>Net revenue before taxation</b>		<b>88</b>		<b>72</b>	
Taxation	5	(81)		(95)	
<b>Net revenue/(expenses) after taxation</b>			<b>7</b>		<b>(23)</b>
<b>Total return before distribution</b>			<b>5,605</b>		<b>7,211</b>
Distribution	6		(45)		(28)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>5,560</b>		<b>7,183</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>38,003</b>		<b>28,876</b>
Amounts receivable on issue of shares	9,849		2,407	
Less: Amounts payable on cancellation of shares	(8,807)		(487)	
		1,042		1,920
Dilution adjustment		17		1
Change in net assets attributable to shareholders from investment activities		5,560		7,183
Retained distribution on accumulation shares		35		23
<b>Closing net assets attributable to shareholders</b>		<b>44,657</b>		<b>38,003</b>

Notes to the Financial Statements are on pages 306 to 311.

# Stewart Investors Worldwide Equity Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>37,850</u>	<u>33,987</u>
<b>Current assets</b>			
Debtors	8	71	332
Cash and bank balances		<u>6,849</u>	<u>7,151</u>
<b>Total assets</b>		<u><b>44,770</b></u>	<u><b>41,470</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(10)	(7)
Other creditors	9	<u>(103)</u>	<u>(3,460)</u>
<b>Total liabilities</b>		<u><b>(113)</b></u>	<u><b>(3,467)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>44,657</b></u>	<u><b>38,003</b></u>

*Notes to the Financial Statements are on pages 306 to 311.*

# Stewart Investors Worldwide Equity Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	5,546	6,901
Forward foreign exchange currency contracts	1	-
Currency gains	51	333
Net capital gains	<u>5,598</u>	<u>7,234</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	199	117
Overseas taxable revenue	1	(12)
Overseas non-taxable revenue	399	307
Overseas scrip dividends	15	29
Interest from bank deposits	2	1
Interest from government and fixed-interest securities	4	4
Interest on capital revenue from Brazilian companies	5	27
Total revenue	<u>625</u>	<u>473</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>444</u>	<u>318</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>6</u>	<u>6</u>
<b>Other expenses:</b>		
Audit fee	10	8
Registrar fees	16	10
Safe custody charges	8	5
Other expenses	<u>53</u>	<u>54</u>
	<u>87</u>	<u>77</u>
Total expenses	<u>537</u>	<u>401</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	64	58
Indian capital gains tax	17	37
Total taxation (note 5b)	81	95
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	88	72
Corporation tax of 20% (2016: 20%)	18	14
<b>Effects of:</b>		
UK dividends*	(40)	(23)
Non-taxable scrip dividends*	(3)	(6)
Overseas non-taxable revenue*	(80)	(61)
Movement in excess management expenses	105	77
Irrecoverable overseas tax	64	58
Overseas tax expensed	-	(1)
Indian capital gains tax	17	37
Total tax charge for year (note 5a)	81	95

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

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

## (c) Deferred taxation:

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

## (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £460,402 (31/07/16: £355,163); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distribution

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	-	-
Final distribution	45	30
	45	30
Add: revenue deducted on cancellation of shares	2	-
Deduct: revenue received on issue of shares	(2)	(2)
Net distribution for the year	45	28

*Details of the distribution per share are set out in the Distribution Tables on pages 312 to 313.*

## 7. Movement between net revenue/(expenses) and net distribution

	31 July 2017 £'000	31 July 2016 £'000
Net revenue/(expenses) after taxation	7	(23)
Revenue deficit	21	14
Indian capital gains tax	17	37
Net distribution for the year	45	28

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017	31 July 2016
	£'000	£'000
Amounts receivable for issue of shares	16	280
Accrued revenue	8	9
Overseas tax recoverable	47	43
<b>Total debtors</b>	<b>71</b>	<b>332</b>

**9. Creditors**

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	-	3,401
Amounts payable for cancellation of shares	15	1
Accrued expenses	88	58
<b>Total creditors</b>	<b>103</b>	<b>3,460</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	16,627	6,953	16,519	8,839
Bonds	1,600	11,779	3,446	8,809
<b>Trades in the year before transaction costs</b>	<b>18,227</b>	<b>18,732</b>	<b>19,965</b>	<b>17,648</b>
<b>Commissions</b>				
Equities	10	5	(10)	(5)
Bonds	-	-	-	-
<b>Total commissions</b>	<b>10</b>	<b>5</b>	<b>(10)</b>	<b>(5)</b>
<b>Taxes</b>				
Equities	21	8	(4)	(1)
Bonds	-	-	-	-
<b>Total taxes</b>	<b>21</b>	<b>8</b>	<b>(4)</b>	<b>(1)</b>
<b>Total costs</b>	<b>31</b>	<b>13</b>	<b>(14)</b>	<b>(6)</b>
<b>Total net trades in the year after transaction costs</b>	<b>18,258</b>	<b>18,745</b>	<b>19,951</b>	<b>17,642</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.06	0.07	0.06	0.06
Bonds	-	-	-	-
<b>Taxes</b>				
Equities	0.13	0.12	0.02	0.01
Bonds	-	-	-	-

as at 31 July 2017

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.05	0.03
Taxes	0.06	0.02
Total costs	0.11	0.05

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.25% (31/07/2016: 0.22%).

### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

### 12. Derivatives and other financial instruments

#### (a) General

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

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

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

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

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

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

#### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£3,785,044) (31/07/16: £3,398,709).

#### (b) Interest-rate risk

The Fund does not significantly invest in either fixed or floating-rate securities, and interest-rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2017, 18.87% (31/07/2016: 27.77%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Worldwide Equity Fund would be an increase or decrease of approximately £21,062 (31/07/16: £26,382).

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	1,554	700
Brazilian real	937	1,695
Chilean peso	1,449	1,481
Danish krone	634	-
Euro	7,448	5,092
Hong Kong dollar	819	-
Indian rupee	2,902	1,341
Japanese yen	2,421	1,887
Malaysian ringgit	-	350
Nigerian naira	147	104
Norwegian krone	298	228
Philippine peso	-	417
Singapore dollar	1,340	899
South African rand	1,312	1,186
Swiss franc	902	2,580
US dollar	11,568	13,226
Total	<u>33,731</u>	<u>31,186</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 3.78% (£1,686,552) (31/07/16: 4.10% (£1,559,289)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £39,759 (31/07/16: £31,147) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 4.58% (31/07/16: 4.51%) of the net asset value of the Fund.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 5.94% (31/07/16: 7.57%) of the net asset value of the Fund.

**Material Shareholders**

St John's College Oxford, Dentists' Provident Society Limited and Meadowside Nominees held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 20.8%, 18.2% and 12.7% of the Fund's shares in issue respectively.

as at 31 July 2017

**14. Share classes**

The Fund has six share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.75
Share class A Income (Retail):	1.75
Share class B Accumulation (Institutional):	1.00
Share class B Income (Institutional):	1.00
Share class B Accumulation (EUR share class) (Institutional):	1.00
Share class B Accumulation (USD share class) (Institutional):	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 298 to 303.

The distribution per share class is given in the Distribution Tables on pages 312 to 313.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	1,518,995	924,488	(787,328)	(8,906)	1,647,249
Share class A Income (Retail)	40,955	29,439	(30,738)	-	39,656
Share class B Accumulation (Institutional)	9,605,466	4,327,260	(1,263,033)	8,549	12,678,242
Share class B Income (Institutional)	5,418,811	126,730	(46,281)	-	5,499,260
Share class B Accumulation (EUR share class) (Institutional)	3,637,771	298,000	(65,300)	-	3,870,471
Share class B Accumulation (USD share class) (Institutional)	8,547,565	-	(5,788,151)	-	2,759,414

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	37,850	-	33,987	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	37,850	-	33,987	-

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

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

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

# Stewart Investors Worldwide Equity Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.2139	-	0.2139	0.0976
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.0505	0.1634	0.2139	0.0976

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.1762	-	0.1762	0.1358
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.0553	0.1209	0.1762	0.1358

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.2233	-	0.2233	0.1685
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	0.2233	0.2233	0.1685

## Share class B Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	-	-	0.1196
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	-	-	0.1196

This share class is in deficit and therefore not making a distribution.

## Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# Stewart Investors Worldwide Leaders Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

The Fund invests primarily in a diverse portfolio of equity securities of larger capitalisation companies that are listed, traded or dealt in on any of the Regulated Markets worldwide.

Larger capitalisation companies are currently defined as companies with a minimum investible market capitalisation (free float) of US\$3 billion at the time of investment. The Investment Manager may review this definition as considered appropriate.

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

The Fund may invest in any industry.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

### Performance

The Fund rose by 12.6% in sterling terms over the year and has provided cumulative returns of 54.7% and 96.4% over three and five years respectively to 31 July 2017.

Berkshire Hathaway (US: Financials) gained as the market anticipated less regulation for financials, friendlier policies towards oil and coal, and a greater infrastructure spend after Donald Trump's election victory - all policies that should benefit Berkshire's investments. Unilever (UK: Consumer Staples) rose on the back of the attempted takeover by Kraft Heinz and management's response of a new plan to improve margins. Henkel (Germany: Consumer Staples) climbed on margin improvement.

On the negative side, Dr Reddy's Laboratories (India: Health Care) declined due to ongoing regulatory pressure and US Food & Drug Administration quality concerns. Remgro (South Africa: Financials) was weak due to its largest holding, Mediclinic, falling considerably as the Al Noor acquisition continued to be challenging and Mediclinic's CEO announced his retirement in July 2018. GlaxoSmithKline (UK: Health Care) fell as it announced cuts to its drug development programme amid concerns about its Research & Development spend versus its peers.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

### Portfolio changes

Major purchases during the year included Beiersdorf (Germany: Consumer Staples), a well-run family-owned consumer franchise with reasonable long-term potential for growth in cash flows. The Fund bought Lloyds Banking Group (UK: Financials), a conservative UK-focused mortgage lender with a strong management team that has addressed some of its shortcomings since the 2008 global financial crisis. The Fund also bought Uni-President Enterprises (Taiwan: Consumer Staples), a well-regarded Taiwanese family-run company where the Chinese business could be turning around gradually, driven largely by a more healthy product portfolio.

The Fund sold Baxter International (US: Health Care) on worries about corporate governance and Banco Bradesco (Brazil: Financials) on concerns about valuation and the rebound in Brazil's currency. The Fund also sold Waters Corporation (US: Health Care) because of management change and the high valuation.

### Outlook

The Manager perceives many risks in the global economy, including the speed and extent of the increase in credit levels in the Chinese economy and the likely geopolitical disruptions resulting from the gradual shift away from fossil fuels towards renewables. However, the Manager believes the far greater risk is that the many potential challenges facing companies and society are not sufficiently reflected in asset prices. This is why the Manager continues to hold high cash levels on behalf of clients.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	3.0	7.5	12.6	54.7	96.4	122.6	409.0
Benchmark return %	3.6	6.4	17.9	53.5	104.9	136.9	170.5
Sector return %	4.1	7.0	17.6	48.3	94.3	108.6	193.2
Quartile ranking	4	2	4	2	2	2	1

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	12.6	22.9	11.9	0.4	26.5

Benchmark: MSCI World Index.

Sector: IA Global.

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

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Henkel	9.24	Henkel	9.33	
Beiersdorf	7.89	Unilever	9.12	
Unilever	7.55	Berkshire Hathaway 'A'	6.73	
Berkshire Hathaway 'A'	6.98	United States Treasury Bill 0% 29/09/2016	6.41	
Loews	6.33	Oversea-Chinese Banking	4.40	
Oversea-Chinese Banking	5.29	Unicharm	4.05	
Unicharm	3.54	Markel	4.00	
Standard Bank Group	3.25	Waters	3.54	
Merck	2.79	Merck	3.50	
Uni-President Enterprises	2.64	Loews	3.39	

### Types of shares

Accumulation.

# Stewart Investors Worldwide Leaders Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (12.14%*)</b>	<b>6,199</b>	<b>14.49</b>
69,358 GlaxoSmithKline	1,057	2.47
1,648,872 Lloyds Banking Group	1,083	2.53
281,907 Tesco	492	1.15
197,959 Tullow Oil	337	0.79
74,555 Unilever	3,230	7.55
<b>UNITED STATES (30.90%*)</b>	<b>6,995</b>	<b>16.35</b>
15 Berkshire Hathaway 'A' Shares	2,985	6.98
13,337 Expeditors International of Washington	597	1.39
73,681 Loews	2,708	6.33
874 Markel	705	1.65
<b>DENMARK (0.00%*)</b>	<b>724</b>	<b>1.69</b>
22,573 Novo Nordisk 'B' Shares	724	1.69
<b>GERMANY (12.83%*)</b>	<b>8,521</b>	<b>19.92</b>
40,640 Beiersdorf	3,374	7.89
41,566 Henkel	3,952	9.24
14,326 Merck	1,195	2.79
<b>SPAIN (1.08%*)</b>	<b>-</b>	<b>-</b>
<b>SWITZERLAND (7.01%*)</b>	<b>2,328</b>	<b>5.44</b>
12,162 LafargeHolcim	553	1.29
10,955 Nestle	707	1.65
630 SGS	1,068	2.50
<b>JAPAN (6.49%*)</b>	<b>3,660</b>	<b>8.56</b>
44,200 Asics	611	1.43
60,000 Kansai Paint	1,046	2.45
21,000 Kikkoman	489	1.14
77,700 Unicharm	1,514	3.54
<b>AUSTRALIA (0.00%*)</b>	<b>480</b>	<b>1.12</b>
85,447 Brambles	480	1.12
<b>INDIA (1.27%*)</b>	<b>1,100</b>	<b>2.57</b>
14,911 Dr Reddy's Laboratories	421	0.98
22,921 Tata Consultancy Services	679	1.59
<b>MALAYSIA (1.24%*)</b>	<b>-</b>	<b>-</b>
<b>SINGAPORE (4.40%*)</b>	<b>2,263</b>	<b>5.29</b>
354,926 Oversea-Chinese Banking	2,263	5.29
<b>TAIWAN (0.00%*)</b>	<b>1,128</b>	<b>2.64</b>
775,000 Uni-President Enterprises	1,128	2.64
<b>POLAND (1.71%*)</b>	<b>-</b>	<b>-</b>
<b>SOUTH AFRICA (4.52%*)</b>	<b>2,180</b>	<b>5.09</b>
63,558 Remgro	788	1.84
146,295 Standard Bank Group	1,392	3.25
<b>BRAZIL (3.12%*)</b>	<b>-</b>	<b>-</b>
<b>Portfolio of investments</b>	<b>35,578</b>	<b>83.16</b>
<b>Net other assets</b>	<b>7,205</b>	<b>16.84</b>
<b>Total net assets</b>	<b>42,783</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

# Stewart Investors Worldwide Leaders Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	374.26	304.61	272.24
Return before operating charges*	54.21	75.44	37.62
Operating charges	(7.21)	(5.79)	(5.25)
Return after operating charges*	47.00	69.65	32.37
Distributions	-	-	(0.57)
Retained distributions on accumulation shares	-	-	0.57
Closing net asset value per share (p)	421.26	374.26	304.61
* after direct transaction costs of:	0.28	0.19	0.24
<b>Performance</b>			
Return after charges (%)	12.56%	22.87%	11.89%
<b>Other information</b>			
Closing net asset value (£'000)	15,815	15,355	20,548
Closing number of shares	3,754,146	4,102,703	6,745,806
Operating charges	1.80%	1.85%	1.79%
Direct transaction costs	0.07%	0.06%	0.08%
<b>Prices</b>			
Highest share price	433.95	377.75	320.69
Lowest share price	370.64	281.86	264.91

# Stewart Investors Worldwide Leaders Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	420.62	339.80	301.40
Return before operating charges*	61.17	84.71	41.76
Operating charges	(4.70)	(3.89)	(3.36)
Return after operating charges*	56.47	80.82	38.40
Distributions	(1.69)	(1.88)	(3.15)
Retained distributions on accumulation shares	1.69	1.88	3.15
Closing net asset value per share (p)	477.09	420.62	339.80
* after direct transaction costs of:	0.31	0.21	0.27
<b>Performance</b>			
Return after charges (%)	13.43%	23.78%	12.74%
<b>Other information</b>			
Closing net asset value (£'000)	26,964	23,676	15,325
Closing number of shares	5,651,706	5,628,758	4,509,829
Operating charges	1.04%	1.09%	1.03%
Direct transaction costs	0.07%	0.06%	0.08%
<b>Prices</b>			
Highest share price	491.04	424.39	356.91
Lowest share price	416.60	314.80	293.75

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	142.67	147.42	116.85
Return before operating charges*	11.86	(2.57)	32.63
Operating charges	(2.49)	(2.18)	(2.06)
Return after operating charges*	9.37	(4.75)	30.57
Distributions	(0.17)	-	(0.61)
Retained distributions on accumulation shares	0.17	-	0.61
Closing net asset value per share (c)	152.04	142.67	147.42
* after direct transaction costs of:	0.10	0.08	0.11
<b>Performance</b>			
Return after charges (%)	6.57%	(3.22)%	26.16%
<b>Other information</b>			
Closing net asset value (€'000)	5	1	3
Closing number of shares	3,008	883	2,000
Operating charges	1.67%	1.60%	1.55%
Direct transaction costs	0.07%	0.06%	0.08%
<b>Prices</b>			
Highest share price	158.90	150.74	151.13
Lowest share price	139.06	115.32	113.14

## Stewart Investors Worldwide Leaders Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		5,168		7,124
Revenue	3	661		609	
Expenses	4	(569)		(487)	
Interest payable and similar charges		-		(1)	
<b>Net revenue before taxation</b>		<b>92</b>		<b>121</b>	
Taxation	5	(62)		(86)	
<b>Net revenue after taxation</b>			<b>30</b>		<b>35</b>
<b>Total return before distribution</b>			<b>5,198</b>		<b>7,159</b>
Distribution	6		(97)		(107)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>5,101</b>		<b>7,052</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>39,032</b>		<b>35,875</b>
Amounts receivable on issue of shares	5,575		5,614	
Less: Amounts payable on cancellation of shares	(7,021)		(9,627)	
		(1,446)		(4,013)
Dilution adjustment		-		12
Change in net assets attributable to shareholders from investment activities		5,101		7,052
Retained distribution on accumulation shares		96		106
<b>Closing net assets attributable to shareholders</b>		<b>42,783</b>		<b>39,032</b>

Notes to the Financial Statements are on pages 322 to 327.

# Stewart Investors Worldwide Leaders Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>35,578</u>	<u>33,843</u>
<b>Current assets</b>			
Debtors	8	111	319
Cash and bank balances		<u>7,283</u>	<u>5,033</u>
<b>Total assets</b>		<u><b>42,972</b></u>	<u><b>39,195</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(189)</u>	<u>(163)</u>
<b>Total liabilities</b>		<u><b>(189)</b></u>	<u><b>(163)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>42,783</b></u>	<u><b>39,032</b></u>

*Notes to the Financial Statements are on pages 322 to 327.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	5,225	6,615
Currency (losses)/gains	(57)	509
Net capital gains	<u>5,168</u>	<u>7,124</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	192	120
Overseas taxable revenue	4	-
Overseas non-taxable revenue	461	381
Overseas scrip dividends	-	61
Interest from bank deposits	2	1
Interest from government and fixed-interest securities	1	5
Interest on capital revenue from Brazilian companies	1	41
Total revenue	<u>661</u>	<u>609</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>447</u>	<u>372</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>6</u>	<u>6</u>
<b>Other expenses:</b>		
Audit fee	9	7
Registrar fees	51	45
Safe custody charges	4	4
Other expenses	<u>52</u>	<u>53</u>
	<u>116</u>	<u>109</u>
Total expenses	<u>569</u>	<u>487</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	62	60
Indian capital gains tax	-	26
Total taxation (note 5b)	<u>62</u>	<u>86</u>
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	<u>92</u>	<u>121</u>
Corporation tax of 20% (2016: 20%)	18	24
<b>Effects of:</b>		
UK dividends*	(38)	(24)
Non-taxable scrip dividends*	-	(12)
Overseas non-taxable revenue*	(92)	(76)
Movement in excess management expenses	112	89
Irrecoverable overseas tax	62	60
Overseas tax expensed	-	(1)
Indian capital gains tax	-	26
Total tax charge for year (note 5a)	<u>62</u>	<u>86</u>

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £769,269 (31/07/16: £656,807); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distribution

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

	31 July 2017 £'000	31 July 2016 £'000
Final distribution	<u>96</u>	<u>106</u>
Add: revenue deducted on cancellation of shares	96	106
Deduct: revenue received on issue of shares	5	8
Net distribution for the year	<u>(4)</u>	<u>(7)</u>
	<u>97</u>	<u>107</u>

*Details of the distribution per share are set out in the Distribution Tables on pages 328 to 329.*

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 7. Movement between net revenue and net distribution

	31 July 2017	31 July 2016
	£'000	£'000
Net revenue after taxation	30	35
Revenue deficit	66	42
Movement in net income as a result of conversions	-	4
Expenses charged to capital	1	-
Indian capital gains tax	-	26
Net distribution for the year	<u>97</u>	<u>107</u>

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Amounts receivable for issue of shares	42	246
Accrued revenue	13	18
Overseas tax recoverable	56	55
Total debtors	<u>111</u>	<u>319</u>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Amounts payable for cancellation of shares	73	91
Accrued expenses	116	72
Total creditors	<u>189</u>	<u>163</u>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	13,747	8,349	14,736	12,586
Bonds	-	9,135	2,535	6,888
Trades in the year before transaction costs	<u>13,747</u>	<u>17,484</u>	<u>17,271</u>	<u>19,474</u>
<b>Commissions</b>				
Equities	8	6	(9)	(7)
Bonds	-	-	-	-
Total commissions	<u>8</u>	<u>6</u>	<u>(9)</u>	<u>(7)</u>
<b>Taxes</b>				
Equities	12	6	(1)	(1)
Bonds	-	-	-	-
Total taxes	<u>12</u>	<u>6</u>	<u>(1)</u>	<u>(1)</u>
Total costs	<u>20</u>	<u>12</u>	<u>(10)</u>	<u>(8)</u>
<b>Total net trades in the year after transaction costs</b>	<u>13,767</u>	<u>17,496</u>	<u>17,261</u>	<u>19,466</u>

as at 31 July 2017

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

	Purchases		Sales	
	31 July 2017 %	31 July 2016 %	31 July 2017 %	31 July 2016 %
<b>Commissions</b>				
Equities	0.06	0.07	0.06	0.06
Bonds	-	-	-	-
<b>Taxes</b>				
Equities	0.09	0.07	0.01	0.01
Bonds	-	-	-	-

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

	31 July 2017 %	31 July 2016 %
Commissions	0.04	0.04
Taxes	0.03	0.02
<b>Total costs</b>	<b>0.07</b>	<b>0.06</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.07% (31/07/2016: 0.08%).

**11. Contingent liabilities and commitments**

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

**12. Derivatives and other financial instruments***(a) General*

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

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

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

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

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

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

**Fair value of financial assets and financial liabilities**

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£3,557,764) (31/07/16: £3,384,311).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(b) Interest-rate risk*

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

As at 31 July 2017, 17.02% (31/07/2016: 19.30%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Worldwide Leaders Fund would be an increase or decrease of approximately £18,207 (31/07/16: £18,838).

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	480	-
Brazilian real	-	1,217
Danish krone	726	-
Euro	8,541	5,445
Indian rupee	1,105	498
Japanese yen	3,665	2,541
Malaysian ringgit	-	483
Polish zloty	-	668
Singapore dollar	2,263	1,716
South African rand	2,180	1,762
Swiss franc	2,373	2,782
Taiwanese dollar	1,128	-
US dollar	10,809	14,487
Total	<u>33,270</u>	<u>31,599</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 3.89% (£1,663,475) (31/07/16: 4.05% (£1,579,944)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £38,077 (31/07/16: £32,093) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.32% (31/07/16: 0.31%) of the net asset value of the Fund.

**Material Shareholders**

FIL Nominee (Shareholdings) Limited and Zurich Assurance Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 12.3% and 11.2% of the Fund's shares in issue respectively.

as at 31 July 2017

**14. Share classes**

The Fund has three share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.50
Share class B Accumulation (Institutional):	0.75
Share class A Accumulation (EUR share class) (Retail):	1.50

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 317 to 319.

The distribution per share class is given in the Distribution Tables on pages 328 to 329.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016 Opening shares in issue	Creations	Cancellations	Shares converted	31 July 2017 Closing shares in issue
Share class A Accumulation (Retail)	4,102,703	614,308	(916,731)	(46,134)	3,754,146
Share class B Accumulation (Institutional)	5,628,758	715,361	(733,303)	40,890	5,651,706
Share class A Accumulation (EUR share class) (Retail)	883	4,417	(2,292)	-	3,008

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	35,578	-	33,843	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	<u>35,578</u>	<u>-</u>	<u>33,843</u>	<u>-</u>

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

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

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

# Stewart Investors Worldwide Leaders Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	1.6886	-	1.6886	1.8769
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.7334	0.9552	1.6886	1.8769

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.1682	-	0.1682	-
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	0.1682	0.1682	-

**Distribution Tables**

(continued)

for the year ended 31 July 2017

**Corporate tax for all share classes (unaudited)**

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

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

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

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

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

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

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

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

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

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

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

- Clarification point: The Fund's emphasis on sustainability development incorporates three key features in making investment decisions. These are:
  - I Company classification (identifying companies whose management are believed able to manage sustainability risks and opportunities facing their companies, seeking out sustainability companies with a positive sustainable development impact);
  - II Integration of environmental, social and corporate governance factors into investment analysis;
  - III Engagement with and exit from companies based on in-house ESG research (the Fund manager will engage senior management on any identified environmental, social and governance issues and exit a stock if insufficient progress is made).

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

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

for the year ended 31 July 2017

### Performance

The Fund rose by 14.9% in sterling terms over the year and has provided cumulative returns of 64.3% over three years to 31 July 2017.

Unilever (UK: Consumer Staples) rose on the back of the attempted takeover by Kraft Heinz and management's response of a new plan to improve margins. Henkel (Germany: Consumer Staples) gained on strong revenue and profit margin growth, particularly in emerging markets and in its laundry and home care divisions. ANSYS (US: Information Technology) climbed as it recorded consistent, strong revenue and profit growth, maintaining high recurring revenue and expanding its net cash position.

On the negative side, Novo Nordisk (Denmark: Health Care) was weak as it continued to come under pricing pressure in the US, which represents about 50% of its market for insulin products, and Brambles (Australia: Industrials) declined on a profit warning caused by competitive pressures in the US. Natura Cosmeticos (Brazil: Consumer Staples) fell having experienced challenges around the evolution of its business model, changes in management and a subdued consumer environment.

### Portfolio changes

Major purchases during the year included Tata Consultancy Services (India: Information Technology), a strong IT franchise with good-quality stewards that was reasonably valued, and Novozymes (Denmark: Materials), a global biotech company that is seeking to address global resource challenges by developing innovative biological solutions to help improve industrial manufacturing processes. The Fund also bought Hoya (Japan: Health Care), an optical technology manufacturer, currently managed by the third generation of the founding family, with a diverse and resilient culture.

The Fund sold Bankinter (Spain: Financials) due to concerns about the bank's strategic direction, particularly in its wealth management business, and Lenzing (Austria: Materials) as the Manager believed it was fully valued. The Fund also sold Infosys Technologies (India: Information Technology) because of cultural drift at the company.

### Outlook

Valuations for high-quality companies remain full but acceptable. The Manager prefers to back strong management teams who focus on sustainable development rather than buy lower-quality companies on attractive valuations.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	3.8	10.7	14.9	64.3	-	-	101.9
Benchmark return %	3.6	6.4	17.9	53.5	-	-	94.1

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	14.9	26.0	13.4	(0.9)	-

Benchmark: MSCI All Countries World Index.

Sector: IA Global.

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

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Unilever	8.29	Henkel	7.58	
Henkel	7.60	Waters	6.43	
Waters	4.55	Unilever	6.34	
ANSYS	3.97	Merck	3.91	
Merck	3.57	Natura Cosmeticos	3.10	
Novo Nordisk 'B'	3.28	Unicharm	2.92	
Tata Consultancy Services	2.99	CSL	2.78	
Ain Holdings	2.52	Varian Medical Systems	2.53	
Housing Development Finance	2.42	Kansai Paint	2.45	
Distribuidora Internacional de Alimentacion	2.34	Distribuidora Internacional de Alimentacion	2.33	

### Types of shares

Income and Accumulation.

# Stewart Investors Worldwide Sustainability Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (7.60%*)</b>	<b>45,615</b>	<b>10.52</b>
241,021 GlaxoSmithKline	3,671	0.85
882,263 Sage Group	5,986	1.38
829,962 Unilever	35,958	8.29
<b>UNITED STATES (21.00%*)</b>	<b>87,387</b>	<b>20.16</b>
176,056 ANSYS	17,226	3.97
73,203 Bio-Techne	6,498	1.50
93,462 Colgate-Palmolive	5,167	1.19
22,860 Edwards Lifesciences	2,012	0.46
156,444 Expeditors International of Washington	7,007	1.62
86,023 Jack Henry & Associates	7,017	1.62
6,909 Markel	5,572	1.28
56,929 Navigators Group	2,451	0.57
129,410 Varex Imaging	3,058	0.71
121,634 Varian Medical Systems	9,036	2.08
148,598 Waters	19,714	4.55
60,606 Xylem	2,629	0.61
<b>AUSTRIA (1.76%*)</b>	<b>-</b>	<b>-</b>
<b>DENMARK (1.51%*)</b>	<b>20,910</b>	<b>4.82</b>
443,098 Novo Nordisk 'B' Shares	14,211	3.28
191,226 Novozymes	6,699	1.54
<b>FINLAND (0.35%*)</b>	<b>1,614</b>	<b>0.37</b>
31,917 Wartsila	1,614	0.37
<b>GERMANY (14.32%*)</b>	<b>61,460</b>	<b>14.17</b>
100,371 Beiersdorf	8,334	1.92
73,759 Draegerwerk	4,666	1.08
346,710 Henkel	32,963	7.60
185,813 Merck	15,497	3.57
<b>ITALY (1.77%*)</b>	<b>9,450</b>	<b>2.18</b>
142,179 DiaSorin	9,450	2.18
<b>NORWAY (0.46%*)</b>	<b>2,079</b>	<b>0.48</b>
195,567 Tomra Systems	2,079	0.48
<b>PORTUGAL (0.99%*)</b>	<b>4,011</b>	<b>0.93</b>
269,807 Jeronimo Martins	4,011	0.93
<b>SPAIN (3.55%*)</b>	<b>10,154</b>	<b>2.34</b>
1,937,889 Distribuidora Internacional de Alimentacion	10,154	2.34
<b>SWEDEN (0.62%*)</b>	<b>1,556</b>	<b>0.36</b>
137,299 Svenska Handelsbanken 'A' Shares	1,556	0.36
<b>SWITZERLAND (5.32%*)</b>	<b>19,055</b>	<b>4.40</b>
196,937 ABB	3,517	0.81
9,997 Bucher Industries	2,543	0.59
152,738 Energiedienst Holding	3,165	0.73
42,925 Kuehne + Nagel International	5,695	1.31
2,439 SGS	4,135	0.96

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>JAPAN (7.92%*)</b>	<b>36,409</b>	<b>8.40</b>
199,500 Ain Holdings	10,915	2.52
153,400 Hoya	6,576	1.52
388,000 Kansai Paint	6,764	1.56
19,900 Shimano	2,219	0.51
509,700 Unicharm	9,935	2.29
<b>AUSTRALIA (4.19%*)</b>	<b>13,742</b>	<b>3.17</b>
1,400,655 Brambles	7,861	1.81
76,874 CSL	5,881	1.36
<b>HONG KONG (1.25%*)</b>	<b>6,589</b>	<b>1.52</b>
4,054,000 Vitasoy International Holdings	6,589	1.52
<b>INDIA (9.60%*)</b>	<b>38,434</b>	<b>8.87</b>
145,587 Dr Reddy's Laboratories	4,108	0.95
59,848 Dr Reddy's Laboratories ADR	1,679	0.39
495,043 Housing Development Finance	10,510	2.42
796,440 Marico	3,151	0.73
438,282 Tata Consultancy Services	12,977	2.99
1,314,274 Tech Mahindra	6,009	1.39
<b>PHILIPPINES (2.39%*)</b>	<b>11,356</b>	<b>2.62</b>
3,244,160 Bank of the Philippine Islands	5,124	1.18
12,898,030 Manila Water	6,232	1.44
<b>NIGERIA (0.33%*)</b>	-	-
<b>POLAND (1.01%*)</b>	-	-
<b>SOUTH AFRICA (1.03%*)</b>	-	-
<b>BRAZIL (5.96%*)</b>	<b>21,479</b>	<b>4.95</b>
913,928 Banco Bradesco	6,580	1.52
1,413,800 Natura Cosmeticos	8,497	1.96
1,485,212 Sul America	6,402	1.47
<b>CHILE (0.96%*)</b>	-	-
<b>Portfolio of investments</b>	<b>391,300</b>	<b>90.26</b>
<b>Net other assets</b>	<b>42,231</b>	<b>9.74</b>
<b>Total net assets</b>	<b>433,531</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as ADRs represent American Depositary Receipts.

# Stewart Investors Worldwide Sustainability Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	169.72	135.62	120.39
Return before operating charges*	27.12	36.64	17.64
Operating charges	(3.01)	(2.54)	(2.41)
Return after operating charges*	24.11	34.10	15.23
Distributions	-	-	(0.01)
Retained distributions on accumulation shares	-	-	0.01
Closing net asset value per share (p)	193.83	169.72	135.62
* after direct transaction costs of:	0.17	0.07	0.11
<b>Performance</b>			
Return after charges (%)	14.21%	25.14%	12.65%
<b>Other information</b>			
Closing net asset value (£'000)	4,047	2,454	2,079
Closing number of shares	2,088,026	1,446,252	1,532,784
Operating charges	1.66%	1.82%	1.83%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	200.29	169.85	145.73
Lowest share price	163.31	124.82	118.03

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	163.47	130.62	116.02
Return before operating charges*	26.12	35.30	17.00
Operating charges	(2.87)	(2.45)	(2.32)
Return after operating charges*	23.25	32.85	14.68
Distributions	-	-	(0.08)
Closing net asset value per share (p)	186.72	163.47	130.62
* after direct transaction costs of:	0.17	0.07	0.11
<b>Performance</b>			
Return after charges (%)	14.22%	25.15%	12.65%
<b>Other information</b>			
Closing net asset value (£'000)	799	212	191
Closing number of shares	427,686	129,706	146,092
Operating charges	1.61%	1.82%	1.83%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	192.94	163.59	140.44
Lowest share price	157.31	120.22	113.75

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	175.55	139.27	122.74
Return before operating charges*	28.16	37.87	18.03
Operating charges	(1.88)	(1.59)	(1.50)
Return after operating charges*	26.28	36.28	16.53
Distributions	(0.67)	(0.81)	(1.07)
Retained distributions on accumulation shares	0.67	0.81	1.07
Closing net asset value per share (p)	201.83	175.55	139.27
* after direct transaction costs of:	0.18	0.08	0.11
<b>Performance</b>			
Return after charges (%)	14.97%	26.05%	13.47%
<b>Other information</b>			
Closing net asset value (£'000)	181,904	121,434	82,962
Closing number of shares	90,127,200	69,174,532	59,567,168
Operating charges	0.99%	1.10%	1.11%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	208.41	175.68	149.33
Lowest share price	169.36	128.25	120.52

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	156.94	125.09	111.10
Return before operating charges*	25.17	34.02	16.31
Operating charges	(1.69)	(1.45)	(1.41)
Return after operating charges*	23.48	32.57	14.90
Distributions	(0.57)	(0.72)	(0.91)
Closing net asset value per share (p)	179.85	156.94	125.09
* after direct transaction costs of:	0.16	0.07	0.10
<b>Performance</b>			
Return after charges (%)	14.96%	26.04%	13.41%
<b>Other information</b>			
Closing net asset value (£'000)	45,846	32,313	14,692
Closing number of shares	25,491,051	20,589,946	11,745,103
Operating charges	1.00%	1.11%	1.15%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	186.31	157.77	135.12
Lowest share price	151.40	115.18	109.07

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	148.28	141.72	111.82
Return before operating charges*	13.98	9.03	32.25
Operating charges	(2.49)	(2.47)	(2.35)
Return after operating charges*	11.49	6.56	29.90
Distributions	(0.00)	-	(0.10)
Retained distributions on accumulation shares	0.00	-	0.10
Closing net asset value per share (c)	159.77	148.28	141.72
* after direct transaction costs of:	0.15	0.07	0.11
<b>Performance</b>			
Return after charges (%)	7.75%	4.63%	26.74%
<b>Other information</b>			
Closing net asset value (€'000)	925	30	31
Closing number of shares	578,689	20,050	22,000
Operating charges	1.58%	1.81%	1.82%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	168.63	149.41	148.69
Lowest share price	143.02	122.74	109.04

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	167.07	158.52	124.16
Return before operating charges*	15.87	10.20	35.91
Operating charges	(1.69)	(1.65)	(1.55)
Return after operating charges*	14.18	8.55	34.36
Distributions	(0.68)	(0.83)	(1.25)
Retained distributions on accumulation shares	0.68	0.83	1.25
Closing net asset value per share (c)	181.25	167.07	158.52
* after direct transaction costs of:	0.17	0.08	0.12
<b>Performance</b>			
Return after charges (%)	8.49%	5.39%	27.67%
<b>Other information</b>			
Closing net asset value (€'000)	174,567	90,162	59,064
Closing number of shares	96,317,387	53,966,633	37,261,345
Operating charges	0.95%	1.07%	1.08%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	191.10	168.32	165.95
Lowest share price	161.54	137.82	121.27

# Stewart Investors Worldwide Sustainability Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)
<b>Share class A Accumulation (USD share class)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	109.76	100.00
Return before operating charges*	16.96	11.00
Operating charges	(1.88)	(1.24)
Return after operating charges*	15.08	9.76
Distributions	-	(0.26)
Retained distributions on accumulation shares	-	0.26
Closing net asset value per share (c)	124.84	109.76
* after direct transaction costs of:	0.11	0.06
<b>Performance</b>		
Return after charges (%)	13.74%	9.76%
<b>Other information</b>		
Closing net asset value (\$'000)	7,927	1,925
Closing number of shares	6,350,419	1,753,715
Operating charges	1.65%	1.81%
Direct transaction costs	0.09%	0.05%
<b>Prices</b>		
Highest share price	126.25	109.84
Lowest share price	101.43	91.00

Share class A Accumulation (USD share class) was launched on 7 December 2015.

# Stewart Investors Worldwide Sustainability Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	108.74	101.93	97.36
Return before operating charges*	16.90	7.87	5.65
Operating charges	(1.08)	(1.06)	(1.08)
Return after operating charges*	15.82	6.81	4.57
Distributions	(0.45)	(0.53)	(0.81)
Retained distributions on accumulation shares	0.45	0.53	0.81
Closing net asset value per share (c)	124.56	108.74	101.93
* after direct transaction costs of:	0.11	0.05	0.08
<b>Performance</b>			
Return after charges (%)	14.55%	6.68%	4.69%
<b>Other information</b>			
Closing net asset value (\$'000)	49,885	35,080	31,669
Closing number of shares	40,048,573	32,257,460	31,068,906
Operating charges	0.96%	1.07%	1.08%
Direct transaction costs	0.09%	0.05%	0.08%
<b>Prices</b>			
Highest share price	125.84	108.82	103.98
Lowest share price	100.76	89.83	90.51

## Stewart Investors Worldwide Sustainability Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		42,767		51,067
Revenue	3	5,169		3,638	
Expenses	4	(3,278)		(2,105)	
Interest payable and similar charges		(8)		(11)	
<b>Net revenue before taxation</b>		<b>1,883</b>		<b>1,522</b>	
Taxation	5	(558)		(343)	
<b>Net revenue after taxation</b>			<b>1,325</b>		<b>1,179</b>
<b>Total return before distribution</b>			<b>44,092</b>		<b>52,246</b>
Distributions	6		(1,344)		(1,183)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>42,748</b>		<b>51,063</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>260,546</b>		<b>161,916</b>
Amounts receivable on issue of shares	199,275		51,291	
Less: Amounts payable on cancellation of shares	(70,604)		(4,833)	
		128,671		46,458
Dilution adjustment		239		41
Change in net assets attributable to shareholders from investment activities		42,748		51,063
Retained distribution on accumulation shares		1,327		1,068
<b>Closing net assets attributable to shareholders</b>		<b>433,531</b>		<b>260,546</b>

Notes to the Financial Statements are on pages 344 to 349.

# Stewart Investors Worldwide Sustainability Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>391,300</u>	<u>244,631</u>
<b>Current assets</b>			
Debtors	8	3,707	5,158
Cash and bank balances		<u>39,112</u>	<u>11,321</u>
<b>Total assets</b>		<u><b>434,119</b></u>	<u><b>261,110</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(147)	(149)
Other creditors	9	<u>(441)</u>	<u>(415)</u>
<b>Total liabilities</b>		<u><b>(588)</b></u>	<u><b>(564)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>433,531</b></u></u>	<u><u><b>260,546</b></u></u>

*Notes to the Financial Statements are on pages 344 to 349.*

## Notes to the Financial Statements

as at 31 July 2017

**1. Accounting basis and policies**

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

**2. Net capital gains**

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	42,883	50,286
Forward foreign exchange currency contracts	71	15
Currency (losses)/gains	(187)	766
Net capital gains	<u>42,767</u>	<u>51,067</u>

**3. Revenue**

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	866	460
Overseas taxable revenue	125	(16)
Overseas non-taxable revenue	3,779	3,051
Overseas scrip dividends	62	-
Interest from bank deposits	7	7
Interest on capital revenue from Brazilian companies	330	136
Total revenue	<u>5,169</u>	<u>3,638</u>

**4. Expenses**

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>3,038</u>	<u>1,930</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>50</u>	<u>28</u>
<b>Other expenses:</b>		
Audit fee*	10	8
Registrar fees	72	43
Safe custody charges	58	34
Other expenses	<u>50</u>	<u>62</u>
	190	147
Total expenses	<u>3,278</u>	<u>2,105</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	558	343
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	1,883	1,522
Corporation tax of 20% (2016: 20%)	377	304
<b>Effects of:</b>		
UK dividends*	(173)	(92)
Non-taxable scrip dividends*	(13)	-
Overseas non-taxable revenue*	(756)	(610)
Movement in excess management expenses	578	402
Irrecoverable overseas tax	558	343
Overseas tax expensed	(13)	(4)
Total tax charge for year (note 5a)	558	343

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,607,540 (31/07/16: £1,029,049); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distribution

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

	31 July 2017 £'000	31 July 2016 £'000
Final distribution	1,474	1,217
Add: revenue deducted on cancellation of shares	97	10
Deduct: revenue received on issue of shares	(227)	(44)
Net distribution for the year	1,344	1,183

*Details of the distribution per share are set out in the Distribution Tables on pages 350 to 352.*

## 7. Movement between net revenue and net distribution

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	1,325	1,179
Revenue deficit	19	4
Net distribution for the year	1,344	1,183

## Notes to the Financial Statements

(continued)

as at 31 July 2017

**8. Debtors**

	31 July 2017 £'000	31 July 2016 £'000
Sales awaiting settlement	-	3,997
Amounts receivable for issue of shares	2,997	621
Accrued revenue	294	238
Overseas tax recoverable	416	302
<b>Total debtors</b>	<b>3,707</b>	<b>5,158</b>

**9. Creditors**

	31 July 2017 £'000	31 July 2016 £'000
Amounts payable for cancellation of shares	18	164
Accrued expenses	423	251
<b>Total creditors</b>	<b>441</b>	<b>415</b>

**10. Portfolio transaction costs**

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017 £'000	31 July 2016 £'000	31 July 2017 £'000	31 July 2016 £'000
Equities	193,056	86,586	89,587	36,024
Trades in the year before transaction costs	193,056	86,586	89,587	36,024
<b>Commissions</b>				
Equities	77	45	(47)	(17)
<b>Taxes</b>				
Equities	165	39	(21)	-
<b>Total costs</b>	<b>242</b>	<b>84</b>	<b>(68)</b>	<b>(17)</b>
<b>Total net trades in the year after transaction costs</b>	<b>193,298</b>	<b>86,670</b>	<b>89,519</b>	<b>36,007</b>

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

	Purchases		Sales	
	31 July 2017 %	31 July 2016 %	31 July 2017 %	31 July 2016 %
<b>Commissions</b>				
Equities	0.04	0.05	0.05	0.05
<b>Taxes</b>				
Equities	0.09	0.05	0.02	-

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

	31 July 2017 %	31 July 2016 %
Commissions	0.04	0.03
Taxes	0.05	0.02
<b>Total costs</b>	<b>0.09</b>	<b>0.05</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.10% (31/07/2016: 0.16%).

as at 31 July 2017

## 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

## 12. Derivatives and other financial instruments

### (a) General

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

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

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

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

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

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

### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£39,129,984) (31/07/16: £24,463,072).

### (b) Interest-rate risk

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

As at 31 July 2017, 9.02% (31/07/2016: 4.35%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Worldwide Sustainability Fund would be an increase or decrease of approximately £97,779 (31/07/16: £28,302).

## Notes to the Financial Statements

(continued)

as at 31 July 2017

*(c) Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	13,742	11,709
Brazilian real	21,483	15,549
Chilean peso	-	2,553
Danish krone	20,950	3,946
Euro	89,314	60,053
Hong Kong dollar	6,589	3,258
Indian rupee	36,967	19,565
Japanese yen	36,489	21,993
Nigerian naira	-	849
Norwegian krone	2,087	1,213
Philippine peso	11,357	6,243
Polish zloty	-	2,626
South African rand	-	2,672
Swedish krona	1,556	1,615
Swiss franc	19,260	15,313
US dollar	96,696	64,568
Total	<u>356,490</u>	<u>233,725</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.11% (£17,824,487) (31/07/16: 4.49% (£11,686,294)).

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £320,635 (31/07/16: £204,612) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.12% (31/07/16: nil) of the net asset value of the Fund.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.48% (31/07/16: 2.98%) of the net asset value of the Fund.

As at the 31 July 2017, the Directors of the ACD had a combined holding in share class B Accumulation of 0.01%. Close family members of the Directors of the ACD had a combined holding in share class B Accumulation of 0.02%.

**Material Shareholders**

Joseph Rowntree Charitable Trust and FundSettle EOC Nominees Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 12.1% and 10.5% of the Fund's shares in issue respectively.

as at 31 July 2017

**14. Share classes**

The Fund has eight share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.50
Share class A Income (Retail):	1.50
Share class B Accumulation (Institutional):	0.85
Share class B Income (Institutional):	0.85
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class B Accumulation (EUR share class) (Institutional):	0.85
Share class A Accumulation (USD share class) (Retail):	1.50
Share class B Accumulation (USD share class) (Institutional):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 334 to 341.

The distribution per share class is given in the Distribution Tables on pages 350 to 352.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016 Opening shares in issue	Creations	Cancellations	Shares converted	31 July 2017 Closing shares in issue
Share class A Accumulation (Retail)	1,446,252	4,740,491	(4,051,643)	(47,074)	2,088,026
Share class A Income (Retail)	129,706	381,910	(83,930)	-	427,686
Share class B Accumulation (Institutional)	69,174,532	26,147,980	(5,197,073)	1,761	90,127,200
Share class B Income (Institutional)	20,589,946	28,262,465	(23,410,102)	48,742	25,491,051
Share class A Accumulation (EUR share class) (Retail)	20,050	576,389	(17,750)	-	578,689
Share class B Accumulation (EUR share class) (Institutional)	53,966,633	49,781,477	(7,430,723)	-	96,317,387
Share class A Accumulation (USD share class) (Retail)	1,753,715	5,954,467	(1,357,763)	-	6,350,419
Share class B Accumulation (USD share class) (Institutional)	32,257,460	8,087,178	(296,065)	-	40,048,573

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	391,300	-	244,631	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	391,300	-	244,631	-

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

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

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

# Stewart Investors Worldwide Sustainability Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	-	-	-	-

This share class is in deficit and therefore not making a distribution.

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.6700	-	0.6700	0.8077
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.4720	0.1980	0.6700	0.8077

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.5739	-	0.5739	0.7220
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	-
Final	0.3315	0.2424	0.5739	0.7220

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.0036	-	0.0036	-
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	0.0036	0.0036	-

## Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.6823	-	0.6823	0.8280
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.4696	0.2127	0.6823	0.8280

## Share class A Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	-	-	0.2602
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	-	-	-	0.2602

This share class is in deficit and therefore not making a distribution.

## Share class B Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.4450	-	0.4450	0.5275
Group 2	(c)	(c)	(c)	(c)
Interim	-	-	-	-
Final	0.2219	0.2231	0.4450	0.5275

**Distribution Tables**

(continued)

for the year ended 31 July 2017

**Corporate tax for all share classes (unaudited)**

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

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

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

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

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

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

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

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

# First State Global Listed Infrastructure Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve an investment return consistent with income and long-term capital growth.

The Fund invests in a diversified portfolio of listed infrastructure and infrastructure-related securities from around the world.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

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

for the year ended 31 July 2017

### Performance

The Fund rose by 12.1% in sterling terms over the year and has provided cumulative returns of 59.5% and 101.5% over three and five years respectively to 31 July 2017.

The largest single positive contributor to performance during this year was Abertis (Spain: Toll Roads), which gained on robust traffic volumes and news of a €16 billion takeover bid from Italian peer Atlantia. NextEra Energy (US: Electric Utilities) outperformed on investor enthusiasm for its continued investment into the development and build-out of renewable energy assets in the US. Union Pacific (US: Railroads) announced consistently healthy earnings numbers, driven by a disciplined approach to cost cutting.

Having delivered strong gains earlier in the Fund's extended holding period, rising bond yields during the second half of 2016 weighed on Duke Energy (US: Electric Utilities). Enbridge (Canada: Pipelines) lagged as a lower oil price in 2017 affected investor sentiment. Osaka Gas (Japan: Gas Utilities) underperformed in the brief period since it was added to the portfolio in May 2017 on concerns that intensifying competition may impact its growth prospects.

### Portfolio changes

New holdings in the Fund included Dominion Energy (US: Multi-Utilities), which was added following a period of underperformance compared to peers, and American Electric Power (US: Electric Utilities), which is deriving low-risk earnings growth from the build-out of transmission infrastructure.

TransCanada (Canada: Pipelines) was sold as we became concerned about the potential challenges associated with integrating the Columbia Pipeline Group business, acquired in 2016. Iberdrola (Spain: Electric Utilities) was also divested after share price gains moved the stock to a lower ranking within our investment process.

### Outlook

Our investment process currently favours the toll roads sector. We are attracted to its high barriers to entry, strong free cash flow and inflation-linked pricing. The Fund's largest underweight exposure remains the airport sector. Rapid passenger growth and investor demand for yield has caused some operators to trade up to valuation multiples that we find difficult to justify on fundamentals.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	3.5	9.4	12.1	59.5	101.5	-	155.5
Benchmark return %	3.9	8.9	11.5	54.9	100.5	-	114.8
Sector return %	4.1	7.0	17.6	48.3	94.3	-	100.6
Quartile ranking	3	1	4	1	2	-	1

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	12.1	30.6	9.0	7.4	17.6

*Benchmark: FTSE Global Core Infrastructure 50/50 Index. (Note: The benchmark changed from the UBS Global Infrastructure & Utilities 50-50 Index to the above on 01/04/2015).*

*Sector: IA Global.*

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

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
National Grid	7.72	Duke Energy	6.26	
Enbridge	5.70	Transurban Group	5.64	
American Tower REIT	5.17	PG&E	5.63	
Atlantia	4.85	East Japan Railway	4.58	
Kinder Morgan	4.65	NextEra Energy	3.89	
Transurban Group	4.58	Kinder Morgan	3.71	
East Japan Railway	4.54	Eversource Energy	3.70	
Dominion Energy	4.22	Union Pacific	3.65	
NextEra Energy	4.16	Crown Castle International REIT	3.60	
American Electric Power	4.12	Abertis Infraestructuras	3.45	

### Types of shares

Income and Accumulation.

# First State Global Listed Infrastructure Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (6.32%*)</b>	<b>215,007</b>	<b>8.43</b>
20,919,674 National Grid	196,833	7.72
1,318,862 SSE	18,174	0.71
<b>UNITED STATES (50.34%*)</b>	<b>1,158,734</b>	<b>45.48</b>
841,146 Alliant Energy	25,938	1.02
1,954,267 American Electric Power	104,861	4.12
1,248,173 American Tower REIT**	131,608	5.17
63,712 Crown Castle International REIT**	4,879	0.19
923,743 CSX	35,179	1.38
1,832,462 Dominion Energy	107,485	4.22
3,666,892 Enterprise Products Partners	75,690	2.97
1,552,173 Eversource Energy	71,577	2.81
2,328,730 Great Plains Energy	54,545	2.14
264,569 Kansas City Southern	20,786	0.82
7,630,592 Kinder Morgan	118,552	4.65
959,880 NextEra Energy	106,103	4.16
1,498,441 NiSource	29,754	1.17
1,984,893 PG&E	102,027	4.00
1,268,022 Plains All American Pipeline	25,604	1.00
99,530 SBA Communications REIT**	10,431	0.41
660,324 UGI	25,348	0.99
271,143 Union Pacific	21,338	0.84
2,421,376 Xcel Energy	87,029	3.42
<b>CANADA (5.20%*)</b>	<b>173,114</b>	<b>6.79</b>
4,651,259 Enbridge	145,258	5.70
2,035,100 Hydro One	27,856	1.09
<b>FRANCE (3.37%*)</b>	<b>105,613</b>	<b>4.15</b>
8,035,032 Groupe Eurotunnel	67,421	2.65
562,061 Vinci	38,192	1.50
<b>GERMANY (1.78%*)</b>	-	-
<b>ITALY (1.81%*)</b>	<b>133,016</b>	<b>5.22</b>
5,367,282 Atlantia	123,458	4.85
1,963,556 Infrastrutture Wireless Italiane	9,558	0.37
<b>SPAIN (6.49%*)</b>	<b>76,108</b>	<b>2.98</b>
2,429,689 Abertis Infraestructuras	36,285	1.42
268,111 Aena	39,823	1.56
<b>JAPAN (6.30%*)</b>	<b>233,476</b>	<b>9.16</b>
380,200 Central Japan Railway	46,464	1.82
1,621,600 East Japan Railway	115,598	4.54
2,464,000 Kamigumi	20,070	0.79
16,884,000 Osaka Gas	51,344	2.01
<b>AUSTRALIA (5.64%*)</b>	<b>116,651</b>	<b>4.58</b>
16,861,337 Transurban Group	116,651	4.58
<b>CHINA (5.77%*)</b>	<b>119,377</b>	<b>4.68</b>
15,838,000 China Merchants Port Holdings	37,933	1.49
30,162,000 COSCO SHIPPING Ports	28,101	1.10
48,560,000 Jiangsu Expressway 'H' Shares	53,343	2.09
<b>HONG KONG (2.27%*)</b>	<b>54,303</b>	<b>2.13</b>
7,191,500 Power Assets Holdings	54,303	2.13

# First State Global Listed Infrastructure Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>BRAZIL (2.01%*)</b>	<b>69,015</b>	<b>2.71</b>
16,641,392 CCR	69,015	2.71
<b>MEXICO (0.90%*)</b>	<b>17,285</b>	<b>0.68</b>
1,987,596 Grupo Aeroportuario del Pacifico	17,285	0.68
<b>DERIVATIVES (0.00%*)</b>	<b>285</b>	<b>0.02</b>
<b>Forward Currency Contracts</b>		
<b>Australian Dollar</b>		
Sold AUD1,240,245 for GBP737,168 Settlement 04/08/2017	(16)	-
Sold AUD1,333,395 for GBP792,534 Settlement 04/08/2017	(17)	-
<b>Canadian Dollar</b>		
Sold CAD1,636,323 for GBP984,326 Settlement 04/08/2017	(15)	-
Sold CAD1,632,024 for GBP981,740 Settlement 04/08/2017	(15)	-
<b>Euro</b>		
Bought EUR383,719 for USD440,400 Settlement 04/08/2017	9	-
Bought EUR68,903 for HKD617,047 Settlement 04/08/2017	1	-
Bought EUR69,092 for GBP60,562 Settlement 04/08/2017	1	-
Bought EUR37,223 for AUD54,634 Settlement 04/08/2017	-	-
Bought EUR55,726 for CAD80,914 Settlement 04/08/2017	-	-
Bought EUR76,217 for JPY9,840,423 Settlement 04/08/2017	-	-
Sold EUR2,361,997 for GBP2,104,681 Settlement 04/08/2017	(7)	-
Sold EUR2,834,404 for GBP2,525,624 Settlement 04/08/2017	(8)	-
<b>Hong Kong Dollar</b>		
Sold HKD14,258,746 for GBP1,419,445 Settlement 04/08/2017	28	-
Sold HKD12,287,970 for GBP1,223,256 Settlement 04/08/2017	24	-
<b>Japanese Yen</b>		
Sold JPY48,366,814 for GBP332,691 Settlement 04/08/2017	(1)	-
Sold JPY168,335,556 for GBP1,153,373 Settlement 04/08/2017	(7)	-
Sold JPY251,505,766 for GBP1,723,224 Settlement 04/08/2017	(10)	-
<b>US Dollar</b>		
Sold USD11,567,796 for GBP8,989,793 Settlement 04/08/2017	176	0.01
Sold USD9,102,157 for GBP7,073,647 Settlement 04/08/2017	140	0.01
Sold USD471,137 for GBP361,357 Settlement 04/08/2017	2	-
<b>Portfolio of investments<sup>^</sup></b>	<b>2,471,984</b>	<b>97.01</b>
<b>Net other assets</b>	<b>76,075</b>	<b>2.99</b>
<b>Total net assets</b>	<b>2,548,059</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

\*\* Real estate investment trust (REIT).

<sup>^</sup> Including derivative liabilities.

# First State Global Listed Infrastructure Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	227.93	174.51	160.16
Return before operating charges*	31.31	56.35	17.12
Operating charges	(3.80)	(2.93)	(2.77)
Return after operating charges*	27.51	53.42	14.35
Distributions	(6.75)	(5.23)	(4.80)
Retained distributions on accumulation shares	6.75	5.23	4.80
Closing net asset value per share (p)	255.44	227.93	174.51
* after direct transaction costs of:	0.77	0.54	0.51
<b>Performance</b>			
Return after charges (%)	12.07%	30.61%	8.96%
<b>Other information</b>			
Closing net asset value (£'000)	173,153	141,578	132,234
Closing number of shares	67,785,263	62,115,286	75,775,544
Operating charges	1.58%	1.59%	1.59%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	263.83	230.06	191.51
Lowest share price	218.28	161.93	155.45

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	172.69	135.72	127.98
Return before operating charges*	23.50	43.26	13.75
Operating charges	(2.86)	(2.25)	(2.20)
Return after operating charges*	20.64	41.01	11.55
Distributions	(5.08)	(4.04)	(3.81)
Closing net asset value per share (p)	188.25	172.69	135.72
* after direct transaction costs of:	0.58	0.42	0.40
<b>Performance</b>			
Return after charges (%)	11.95%	30.22%	9.02%
<b>Other information</b>			
Closing net asset value (£'000)	39,301	40,198	40,463
Closing number of shares	20,877,067	23,277,110	29,813,221
Operating charges	1.58%	1.59%	1.59%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	197.44	176.56	151.35
Lowest share price	165.38	125.92	124.21

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	241.45	183.46	167.10
Return before operating charges*	33.32	59.60	17.89
Operating charges	(2.06)	(1.61)	(1.53)
Return after operating charges*	31.26	57.99	16.36
Distributions	(7.18)	(5.52)	(5.03)
Retained distributions on accumulation shares	7.18	5.52	5.03
Closing net asset value per share (p)	272.71	241.45	183.46
* after direct transaction costs of:	0.82	0.58	0.54
<b>Performance</b>			
Return after charges (%)	12.95%	31.61%	9.79%
<b>Other information</b>			
Closing net asset value (£'000)	942,760	591,439	421,157
Closing number of shares	345,700,487	244,952,021	229,569,278
Operating charges	0.80%	0.82%	0.83%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	281.42	243.70	200.87
Lowest share price	231.87	170.33	162.21

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	184.08	143.57	134.35
Return before operating charges*	25.16	46.05	14.44
Operating charges	(1.58)	(1.25)	(1.20)
Return after operating charges*	23.58	44.80	13.24
Distributions	(5.43)	(4.29)	(4.02)
Closing net asset value per share (p)	202.23	184.08	143.57
* after direct transaction costs of:	0.62	0.45	0.43
<b>Performance</b>			
Return after charges (%)	12.81%	31.20%	9.85%
<b>Other information</b>			
Closing net asset value (£'000)	524,577	403,656	329,257
Closing number of shares	259,394,583	219,282,133	229,334,741
Operating charges	0.81%	0.82%	0.82%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	211.92	188.18	159.72
Lowest share price	176.77	133.28	130.41

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)
<b>Share class B Hedged Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	118.61	100.00
Return before operating charges*	14.06	19.50
Operating charges	(1.05)	(0.89)
Return after operating charges*	13.01	18.61
Distributions	(3.44)	(2.46)
Retained distributions on accumulation shares	3.44	2.46
Closing net asset value per share (p)	131.62	118.61
* after direct transaction costs of:	0.39	0.32
<b>Performance</b>		
Return after charges (%)	10.97%	18.61%
<b>Other information</b>		
Closing net asset value (£'000)	19,949	9,963
Closing number of shares	15,156,501	8,400,050
Operating charges	0.86%	0.84%
Direct transaction costs	0.32%	0.30%
<b>Prices</b>		
Highest share price	133.71	119.71
Lowest share price	110.82	93.31

Share class B Hedged Accumulation was launched on 17 September 2015.

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Hedged Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	145.48	132.87	121.43
Return before operating charges*	17.41	17.27	16.18
Operating charges	(1.41)	(1.10)	(1.11)
Return after operating charges*	16.00	16.17	15.07
Distributions	(4.20)	(3.56)	(3.63)
Closing net asset value per share (p)	157.28	145.48	132.87
* after direct transaction costs of:	0.48	0.39	0.39
<b>Performance</b>			
Return after charges (%)	11.00%	12.17%	12.41%
<b>Other information</b>			
Closing net asset value (£'000)	16,297	3,839	3,219
Closing number of shares	10,361,444	2,638,629	2,422,673
Operating charges	0.93%	0.83%	0.84%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	162.40	148.76	141.46
Lowest share price	136.38	118.01	117.32

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	202.26	185.16	151.01
Return before operating charges*	14.85	19.98	36.84
Operating charges	(3.23)	(2.88)	(2.69)
Return after operating charges*	11.62	17.10	34.15
Distributions	(5.73)	(4.86)	(4.95)
Retained distributions on accumulation shares	5.73	4.86	4.95
Closing net asset value per share (c)	213.88	202.26	185.16
* after direct transaction costs of:	0.67	0.55	0.51
<b>Performance</b>			
Return after charges (%)	5.75%	9.24%	22.61%
<b>Other information</b>			
Closing net asset value (€'000)	166,769	113,042	55,007
Closing number of shares	77,972,841	55,890,085	29,706,790
Operating charges	1.54%	1.55%	1.55%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	224.35	205.69	198.62
Lowest share price	191.62	161.66	145.85

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	155.42	146.15	122.50
Return before operating charges*	11.30	15.41	29.85
Operating charges	(2.56)	(2.32)	(2.21)
Return after operating charges*	8.74	13.09	27.64
Distributions	(4.37)	(3.82)	(3.99)
Closing net asset value per share (c)	159.79	155.42	146.15
* after direct transaction costs of:	0.51	0.43	0.41
<b>Performance</b>			
Return after charges (%)	5.62%	8.96%	22.56%
<b>Other information</b>			
Closing net asset value (€'000)	26,712	6,227	8,085
Closing number of shares	16,716,928	4,007,115	5,531,568
Operating charges	1.59%	1.59%	1.58%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	170.20	160.09	159.31
Lowest share price	147.24	127.50	118.31

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	209.84	190.63	154.27
Return before operating charges*	15.45	20.68	37.75
Operating charges	(1.68)	(1.47)	(1.39)
Return after operating charges*	13.77	19.21	36.36
Distributions	(5.98)	(5.02)	(5.08)
Retained distributions on accumulation shares	5.98	5.02	5.08
Closing net asset value per share (c)	223.61	209.84	190.63
* after direct transaction costs of:	0.69	0.56	0.52
<b>Performance</b>			
Return after charges (%)	6.56%	10.08%	23.57%
<b>Other information</b>			
Closing net asset value (€'000)	448,066	365,949	293,216
Closing number of shares	200,378,497	174,391,752	153,807,256
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	234.36	213.40	204.02
Lowest share price	199.25	167.05	149.03

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	168.24	156.88	130.48
Return before operating charges*	12.29	16.65	31.83
Operating charges	(1.37)	(1.19)	(1.16)
Return after operating charges*	10.92	15.46	30.67
Distributions	(4.75)	(4.10)	(4.27)
Closing net asset value per share (c)	174.41	168.24	156.88
* after direct transaction costs of:	0.56	0.45	0.43
<b>Performance</b>			
Return after charges (%)	6.49%	9.85%	23.51%
<b>Other information</b>			
Closing net asset value (€'000)	208,181	1,832	1,870
Closing number of shares	119,360,748	1,089,324	1,191,340
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	185.61	173.28	170.60
Lowest share price	159.75	137.48	126.06

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

Final 31 July 2017  
(c)

**Share class B Hedged Accumulation (EUR share class)**

**Change in net assets per share**

Opening net asset value per share	100.00
Return before operating charges*	0.98
Operating charges	(0.05)
Return after operating charges*	0.93
Distributions	(0.09)
Retained distributions on accumulation shares	0.09
Closing net asset value per share (c)	100.93
* after direct transaction costs of:	0.39

**Performance**

Return after charges (%)	0.93%
--------------------------	-------

**Other information**

Closing net asset value (€'000)	858
Closing number of shares	850,000
Operating charges	0.83%
Direct transaction costs	0.32%

**Prices**

Highest share price	101.49
Lowest share price	100.00

Share class B Hedged Accumulation (EUR share class) was launched on 14 July 2017.

# First State Global Listed Infrastructure Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	150.72	135.29	133.54
Return before operating charges*	20.06	16.54	2.83
Operating charges	(1.20)	(1.11)	(1.08)
Return after operating charges*	18.86	15.43	1.75
Distributions	(4.37)	(3.58)	(3.66)
Retained distributions on accumulation shares	4.37	3.58	3.66
Closing net asset value per share (c)	169.58	150.72	135.29
* after direct transaction costs of:	0.49	0.42	0.39
<b>Performance</b>			
Return after charges (%)	12.51%	11.41%	1.31%
<b>Other information</b>			
Closing net asset value (\$'000)	93,995	61,902	11,965
Closing number of shares	55,431,185	41,072,320	8,844,839
Operating charges	0.78%	0.78%	0.80%
Direct transaction costs	0.32%	0.30%	0.29%
<b>Prices</b>			
Highest share price	170.05	151.56	142.63
Lowest share price	138.91	117.77	125.85

# First State Global Listed Infrastructure Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		228,418		347,104
Revenue	3	69,201		40,979	
Expenses	4	(19,839)		(11,687)	
Interest payable and similar charges		(78)		(22)	
<b>Net revenue before taxation</b>		<b>49,284</b>		<b>29,270</b>	
Taxation	5	(7,037)		(4,778)	
<b>Net revenue after taxation</b>			<b>42,247</b>		<b>24,492</b>
<b>Total return before distributions</b>			<b>270,665</b>		<b>371,596</b>
Distributions	6		(60,945)		(35,661)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>209,720</b>		<b>335,935</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,648,342</b>		<b>1,186,497</b>
Amounts receivable on issue of shares	1,007,533		314,865	
Less: Amounts payable on cancellation of shares	(364,694)		(214,862)	
		642,839		100,003
Dilution adjustment		806		63
Change in net assets attributable to shareholders from investment activities		209,720		335,935
Retained distribution on accumulation shares		46,352		25,844
<b>Closing net assets attributable to shareholders</b>		<b>2,548,059</b>		<b>1,648,342</b>

Notes to the Financial Statements are on pages 371 to 376.

# First State Global Listed Infrastructure Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>2,472,080</u>	<u>1,618,713</u>
<b>Current assets</b>			
Debtors	8	25,626	19,926
Cash and bank balances		<u>86,925</u>	<u>21,871</u>
<b>Total assets</b>		<u><b>2,584,631</b></u>	<u><b>1,660,510</b></u>
<b>Liabilities</b>			
Investment liabilities		(96)	(115)
<b>Creditors</b>			
Bank overdrafts		-	(1,897)
Distribution payable		(12,191)	(5,850)
Other creditors	9	<u>(24,285)</u>	<u>(4,306)</u>
<b>Total liabilities</b>		<u><b>(36,572)</b></u>	<u><b>(12,168)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>2,548,059</b></u></u>	<u><u><b>1,648,342</b></u></u>

*Notes to the Financial Statements are on pages 371 to 376.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	229,883	348,050
Forward foreign exchange currency contracts	(1,842)	(1,992)
Currency gains	377	1,046
Net capital gains	<u>228,418</u>	<u>347,104</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	7,232	4,811
Overseas taxable revenue	8,943	2,882
Overseas non-taxable revenue	49,488	32,311
Property revenue from overseas REITs	3,528	828
Interest from bank deposits	6	41
Interest on capital revenue from Brazilian companies	-	125
Currency hedge gains/losses	4	(19)
Total revenue	<u>69,201</u>	<u>40,979</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>18,743</u>	<u>10,921</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>301</u>	<u>155</u>
<b>Other expenses:</b>		
Audit fee	14	12
Registrar fees	538	473
Safe custody charges	147	90
Other expenses	96	36
	<u>795</u>	<u>611</u>
Total expenses	<u>19,839</u>	<u>11,687</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
(a) Analysis of charge in year:		
Irrecoverable overseas tax	7,037	4,778
(b) Factors affecting current tax charge for the year:		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	49,284	29,270
Corporation tax of 20% (2016: 20%)	9,857	5,854
<b>Effects of:</b>		
UK dividends*	(1,447)	(962)
Overseas non-taxable revenue*	(9,898)	(6,461)
Movement in excess management expenses	1,680	1,608
Irrecoverable overseas tax	7,037	4,778
Expenses not deductible for tax purposes	1	-
Overseas tax expensed	(193)	(39)
Total tax charge for year (note 5a)	7,037	4,778

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

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

## (c) Deferred taxation:

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

## (d) Factors that may affect future tax charges:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,487,341 (31/07/16: £6,870,956); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	27,230	15,342
Final distribution	38,929	21,032
	66,159	36,374
Add: revenue deducted on cancellation of shares	1,814	1,458
Deduct: revenue received on issue of shares	(7,028)	(2,171)
Net distributions for the year	60,945	35,661

*Details of the distributions per share are set out in the Distribution Tables on pages 377 to 379.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	42,247	24,492
Expenses charged to capital	19,839	11,687
Tax relief on expenses charged to capital	(1,141)	(518)
Net distributions for the year	60,945	35,661

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	11,209	-
Amounts receivable for issue of shares	4,511	14,826
Accrued revenue	8,593	4,623
Overseas tax recoverable	1,313	477
<b>Total debtors</b>	<b>25,626</b>	<b>19,926</b>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	21,149	2,798
Amounts payable for cancellation of shares	759	206
Accrued expenses	2,377	1,302
<b>Total creditors</b>	<b>24,285</b>	<b>4,306</b>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	2,230,687	1,011,591	1,594,612	918,901
Trades in the year before transaction costs	2,230,687	1,011,591	1,594,612	918,901
<b>Commissions</b>				
Equities	2,961	1,560	(2,073)	(1,477)
<b>Taxes</b>				
Equities	1,703	579	(148)	(88)
<b>Total costs</b>	<b>4,664</b>	<b>2,139</b>	<b>(2,221)</b>	<b>(1,565)</b>
<b>Total net trades in the year after transaction costs</b>	<b>2,235,351</b>	<b>1,013,730</b>	<b>1,592,391</b>	<b>917,336</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.13	0.15	0.13	0.16
<b>Taxes</b>				
Equities	0.08	0.06	0.01	0.01

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.23	0.24
Taxes	0.09	0.05
<b>Total costs</b>	<b>0.32</b>	<b>0.29</b>

## Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.08% (31/07/2016: 0.11%).

## 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

as at 31 July 2017

## 12. Derivatives and other financial instruments

### (a) General

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

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

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

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

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

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

### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£247,169,891) (31/07/16: £161,870,597).

### (b) Interest-rate risk

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

As at 31 July 2017, 3.41% (31/07/2016: 1.21%) of the Fund's assets were interest-bearing.

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

as at 31 July 2017

(c) *Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	118,034	93,881
Brazilian real	66,322	33,148
Canadian dollar	172,755	87,713
Euro	342,377	231,464
Hong Kong dollar	177,257	135,163
Japanese yen	232,518	104,586
Mexican peso	17,305	13,791
Swiss franc	-	16
US dollar	1,158,698	837,705
Total	<u>2,285,266</u>	<u>1,537,467</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.48% (£114,263,287) (31/07/16: 4.66% (£76,873,346)).

**Effective Portfolio Management**

**Financial derivative instruments exposure as at 31 July 2017**

	Value (£)
Forward foreign currency contracts (hedging)	284,971
<b>Total financial derivative instruments exposure</b>	<u>284,971</u>

**Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2017**

	Value (£)
State Street Bank and Trust Company	284,971

**13. Related parties**

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £1,857,960 (31/07/16: £1,126,187) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.08% (31/07/16: 0.08%) of the net asset value of the Fund.

As at the 31 July 2017, close family members of the Directors of the ACD had a combined holding in share class B Hedged Accumulation of 0.08%.

**Material Shareholders**

Clearstream Banking S.A. held material shareholding in the Fund during the year to 31 July 2017, and at the year end held 10% of the Fund's shares in issue.

as at 31 July 2017

**14. Share classes**

The Fund has twelve share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.50
Share class A Income (Retail):	1.50
Share class B Accumulation (Institutional):	0.75
Share class B Income (Institutional):	0.75
Share class B Hedged Accumulation (Institutional):	0.75
Share class B Hedged Income:	0.75
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class A Income (EUR share class) (Retail):	1.50
Share class B Accumulation (EUR share class) (Institutional):	0.75
Share class B Income (EUR share class) (Institutional):	0.75
Share class B Hedged Accumulation (EUR share class):	0.75
Share class B Accumulation (USD share class) (Institutional):	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 357 to 368.

The distributions per share class are given in the Distribution Tables on pages 377 to 379.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	62,115,286	18,598,236	(11,474,192)	(1,454,067)	67,785,263
Share class A Income (Retail)	23,277,110	2,527,200	(3,942,953)	(984,290)	20,877,067
Share class B Accumulation (Institutional)	244,952,021	118,577,007	(18,633,619)	805,078	345,700,487
Share class B Income (Institutional)	219,282,133	53,999,341	(15,262,090)	1,375,199	259,394,583
Share class B Hedged Accumulation (Institutional)	8,400,050	6,662,818	(351,998)	445,631	15,156,501
Share class B Hedged Income	2,638,629	8,373,994	(660,330)	9,151	10,361,444
Share class A Accumulation (EUR share class) (Retail)	55,890,085	40,141,466	(18,046,973)	(11,737)	77,972,841
Share class A Income (EUR share class) (Retail)	4,007,115	13,502,532	(792,719)	-	16,716,928
Share class B Accumulation (EUR share class) (Institutional)	174,391,752	126,209,692	(100,234,190)	11,243	200,378,497
Share class B Income (EUR share class) (Institutional)	1,089,324	127,206,795	(8,935,371)	-	119,360,748
Share class B Hedged Accumulation (EUR share class)	-	850,000	-	-	850,000
Share class B Accumulation (USD share class) (Institutional)	41,072,320	26,994,690	(12,635,825)	-	55,431,185

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	2,471,699	-	1,618,706	-
Level 2	381	(96)	7	(115)
Level 3	-	-	-	-
Total fair value	2,472,080	(96)	1,618,713	(115)

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

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

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

# First State Global Listed Infrastructure Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.8548	-	2.8548	2.3313
Final	3.8918	-	3.8918	2.8999
Group 2	(p)	(p)	(p)	(p)
Interim	1.1842	1.6706	2.8548	2.3313
Final	2.4718	1.4200	3.8918	2.8999

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.1631	-	2.1631	1.8133
Final	2.9146	-	2.9146	2.2252
Group 2	(p)	(p)	(p)	(p)
Interim	0.2459	1.9172	2.1631	1.8133
Final	0.7111	2.2035	2.9146	2.2252

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	3.0329	-	3.0329	2.4542
Final	4.1442	-	4.1442	3.0690
Group 2	(p)	(p)	(p)	(p)
Interim	1.1943	1.8386	3.0329	2.4542
Final	2.6848	1.4594	4.1442	3.0690

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.3099	-	2.3099	1.9213
Final	3.1240	-	3.1240	2.3691
Group 2	(p)	(p)	(p)	(p)
Interim	1.0156	1.2943	2.3099	1.9213
Final	1.5001	1.6239	3.1240	2.3691

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class B Hedged Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.4306	-	1.4306	0.9404
Final	2.0122	-	2.0122	1.5200
Group 2	(p)	(p)	(p)	(p)
Interim	0.4921	0.9385	1.4306	0.9404
Final	1.1375	0.8747	2.0122	1.5200

## Share class B Hedged Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.7636	-	1.7636	1.6749
Final	2.4336	-	2.4336	1.8897
Group 2	(p)	(p)	(p)	(p)
Interim	0.8260	0.9376	1.7636	1.6749
Final	1.6835	0.7501	2.4336	1.8897

## Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	2.4789	-	2.4789	2.2882
Final	3.2544	-	3.2544	2.5759
Group 2	(c)	(c)	(c)	(c)
Interim	0.8319	1.6470	2.4789	2.2882
Final	1.6082	1.6462	3.2544	2.5759

## Share class A Income (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.9108	-	1.9108	1.8116
Final	2.4616	-	2.4616	2.0040
Group 2	(c)	(c)	(c)	(c)
Interim	0.6715	1.2393	1.9108	1.8116
Final	1.5656	0.8960	2.4616	2.0040

## Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	2.5724	-	2.5724	2.3566
Final	3.4110	-	3.4110	2.6676
Group 2	(c)	(c)	(c)	(c)
Interim	1.4574	1.1150	2.5724	2.3566
Final	1.7349	1.6761	3.4110	2.6676

**Distribution Tables**

(continued)

for the year ended 31 July 2017

**Share class B Income (EUR share class)**

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	2.0725	-	2.0725	1.9394
Final	2.6789	-	2.6789	2.1647
Group 2	(c)	(c)	(c)	(c)
Interim	0.6221	1.4504	2.0725	1.9394
Final	1.1490	1.5299	2.6789	2.1647

**Share class B Hedged Accumulation (EUR share class)**

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Final	0.0945	-	0.0945	-
Group 2	(c)	(c)	(c)	(c)
Final	0.0945	-	0.0945	-

Share class B Hedged Accumulation (EUR share class) was launched on 14 July 2017.

**Share class B Accumulation (USD share class)**

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.7904	-	1.7904	1.6625
Final	2.5774	-	2.5774	1.9170
Group 2	(c)	(c)	(c)	(c)
Interim	0.9396	0.8508	1.7904	1.6625
Final	1.6995	0.8779	2.5774	1.9170

**Corporate tax for all share classes (unaudited)**

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

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

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

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

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

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

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

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

# Stewart Investors Latin America Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve long-term capital growth.

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

### Risks and reward profile

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

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

The Fund might also experience the following risks:

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

**Concentration risk:** the Fund invests in a relatively small number of companies or countries, which may be riskier than a Fund that invests in a large number of companies or countries. Investing in a larger number of companies or countries helps spread risk.

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

### Performance

The Fund rose by 14.5% in sterling terms over the year and has provided cumulative returns of 41.0% and 26.8% over three and five years respectively to 31 July 2017.

Quinenco (Chile: Industrials) gained on the back of positive results, mainly from Banco de Chile and Cia Cervecerias Unidas. Antofagasta (Chile: Materials) rose on increasing copper prices and strong results as production was ahead of expectations. M. Dias Branco (Brazil: Consumer Staples) climbed as increased prices, greater efficiencies, higher volumes and low wheat prices benefitted earnings.

On the negative side, Natura Cosméticos (Brazil: Consumer Staples) declined as it experienced a difficult environment with the evolution of its business model, changes in management and a subdued consumer. Duratex (Brazil: Materials) was weak because of the difficult trading conditions in Brazil, and Mahle-Metal Leve (Brazil: Consumer Discretionary) declined on market weakness as Brazilian President Michel Temer was charged with corruption.

### Portfolio changes

Significant purchases over the year included America Movil (Mexico: Telecom Services), which was attractively valued given its diversified cash flows. The Fund also bought FEMSA (Mexico: Consumer Staples), a well-run company that has a positive track record in managing brand franchises, and Valid (Brazil: Industrials), a franchise run by a long-serving management team that has managed to weather technological changes in the past.

The Fund sold Sonae Sierra Brasil (Brazil: Financials), one of the more illiquid companies in Brazil, on questions about the strength of its franchise and SQM (Chile: Materials) as the company was expensive, having rallied strongly, with governance improvements priced in. The Fund also sold Entel (Chile: Telecom Services) on franchise concerns.

## Authorised Fund Manager's Report

(continued)

for the year ended 31 July 2017

**Outlook**

The Manager continues to look for high-quality franchises that are reasonably valued. Some areas of the universe that provided a brief opportunity to build positions – Mexico towards the end of 2016, for example – are once again more fully valued. More broadly, the Manager remains positive about the direction of travel of corporate governance in the region. In a more transparent environment, the companies in which the Fund invests should have access to greater opportunities for long-term growth.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	2.2	6.3	14.5	41.0	26.8	-	158.2
Benchmark return %	4.4	5.7	18.9	11.7	4.8	-	56.6
Sector return %	2.1	3.5	9.8	23.3	43.2	-	105.4
Quartile ranking	2	2	2	1	3	-	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	14.5	40.7	(12.5)	(12.7)	3.1

Benchmark: MSCI Latin America Index.

Sector: IA Specialist.

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

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016	
		% of Fund	Stock name	% of Fund
Inversiones Aguas Metropolitanas	6.40	Quinenco	6.09	
Cia Cervecerias Unidas ADR	5.72	Banco Bradesco	5.86	
Quinenco	5.72	Duratex	5.76	
United States Treasury Bill 0% 21/09/2017	4.91	Inversiones Aguas Metropolitanas	5.29	
Banco Bradesco	3.95	Mahle-Metal Leve	4.44	
Natura Cosmeticos	3.80	M Dias Branco	4.42	
Grupo Herdez	3.71	Natura Cosmeticos	4.27	
SONDA	3.69	Cia Cervecerias Unidas ADR	4.07	
Mahle-Metal Leve	3.59	SONDA	4.02	
Grupo Financiero Santander Mexico ADR	3.54	Embotelladora Andina 'A' Preference	3.90	

**Types of shares**

Accumulation.

# Stewart Investors Latin America Fund

## Portfolio Statement

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (0.00%*)‡</b>	-	-
<b>UNITED STATES (3.98%*)</b>	<b>9,287</b>	<b>4.91</b>
<b>Cash and Short Term</b>		
USD12,204,900 United States Treasury Bill 0% 21/09/2017	9,287	4.91
<b>BRAZIL (45.71%*)</b>	<b>73,633</b>	<b>38.96</b>
1,037,800 Banco Bradesco	7,472	3.95
3,440,979 Duratex	6,537	3.46
722,120 Engie Brasil Energia	6,135	3.25
246,254 Ez Tec Empreendimentos e Participacoes	1,170	0.62
1,452,800 Klabin	5,682	3.01
599,900 LPS Brasil Consultoria de Imoveis	638	0.34
218,419 M Dias Branco	2,701	1.43
1,637,689 Mahle-Metal Leve	6,788	3.59
1,195,135 Natura Cosméticos	7,183	3.80
820,573 Porto Seguro	6,217	3.29
132,500 Raia Drogasil	2,198	1.16
682,609 TOTVS	5,032	2.66
264,600 Ultrapar Participacoes	4,744	2.51
524,800 Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao	2,123	1.12
1,040,820 WEG	4,739	2.51
503,149 Wilson Sons BDR	4,274	2.26
<b>CHILE (33.25%*)‡</b>	<b>56,497</b>	<b>29.89</b>
349,890 Antofagasta	3,329	1.76
528,394 Cia Cervecerias Unidas ADR	10,818	5.72
29,807,456 Cia Sud Americana de Vapores	1,044	0.55
1,340,418 Embotelladora Andina 'A' Preference Shares	3,906	2.07
2,897,663 Enel Generacion Chile	1,707	0.90
9,236,189 Inversiones Aguas Metropolitanas	12,090	6.40
5,063,381 Quinenco	10,801	5.72
73,030,317 Sociedad Matriz SAAM	5,823	3.08
4,847,457 SONDA	6,979	3.69
<b>COLOMBIA (0.38%*)</b>	<b>1,539</b>	<b>0.82</b>
221,649 Almacenes Exito	850	0.45
51,666 Grupo Bolivar	689	0.37
<b>MEXICO (9.05%*)</b>	<b>31,795</b>	<b>16.82</b>
254,937 America Movil ADR	3,485	1.84
7,116,700 Consorcio ARA	1,831	0.97
100,750 Corporativo Fragua	914	0.48
48,278 Fomento Economico Mexicano ADR	3,726	1.97
871,538 Grupo Financiero Santander Mexico ADR	6,687	3.54
4,141,051 Grupo Herdez	7,011	3.71
4,003,915 Kimberly-Clark de Mexico 'A' Shares	6,162	3.26
1,525,700 Qualitas Controladora	1,979	1.05

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>PERU (2.51%*)</b>	<b>6,174</b>	<b>3.27</b>
1,317,957 Alicorp	2,553	1.35
1,112,004 Cementos Pacasmayo	1,985	1.05
282,267 Fossal	25	0.02
517,018 Hochschild Mining	1,611	0.85
<b>Portfolio of investments</b>	<b>178,925</b>	<b>94.67</b>
<b>Net other assets</b>	<b>10,073</b>	<b>5.33</b>
<b>Total net assets</b>	<b>188,998</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

\* Comparative figures shown in brackets relate to 31 July 2016.

Stocks shown as ADRs and BDRs represent American Depositary Receipts and Brazilian Depositary Receipts, respectively.

‡ Since the previous report, the Country Sector Classification headings have been updated by data providers. The current holdings and comparative holdings have been restated as appropriate.

# Stewart Investors Latin America Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	224.83	159.69	182.41
Return before operating charges*	37.63	68.58	(19.08)
Operating charges	(4.89)	(3.44)	(3.64)
Return after operating charges*	32.74	65.14	(22.72)
Distributions	(1.01)	(0.37)	(1.19)
Retained distributions on accumulation shares	1.01	0.37	1.19
Closing net asset value per share (p)	257.57	224.83	159.69
* after direct transaction costs of:	0.14	0.12	0.38
<b>Performance</b>			
Return after charges (%)	14.56%	40.79%	(12.46)%
<b>Other information</b>			
Closing net asset value (£'000)	14,607	14,631	17,123
Closing number of shares	5,671,016	6,507,755	10,722,169
Operating charges	2.00%	2.06%	2.04%
Direct transaction costs	0.06%	0.07%	0.21%
<b>Prices</b>			
Highest share price	265.61	228.52	193.09
Lowest share price	216.31	142.92	160.26

# Stewart Investors Latin America Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	238.68	168.08	190.47
Return before operating charges*	40.11	72.73	(20.19)
Operating charges	(3.02)	(2.13)	(2.20)
Return after operating charges*	37.09	70.60	(22.39)
Distributions	(3.30)	(2.08)	(2.76)
Retained distributions on accumulation shares	3.30	2.08	2.76
Closing net asset value per share (p)	275.77	238.68	168.08
* after direct transaction costs of:	0.15	0.13	0.39
<b>Performance</b>			
Return after charges (%)	15.54%	42.00%	(11.76)%
<b>Other information</b>			
Closing net asset value (£'000)	113,436	97,204	64,320
Closing number of shares	41,134,729	40,725,142	38,266,271
Operating charges	1.16%	1.19%	1.19%
Direct transaction costs	0.06%	0.07%	0.21%
<b>Prices</b>			
Highest share price	283.88	242.58	201.75
Lowest share price	230.33	150.52	168.68

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	250.56	211.49	213.69
Return before operating charges*	26.71	43.05	2.03
Operating charges	(5.02)	(3.98)	(4.23)
Return after operating charges*	21.69	39.07	(2.20)
Distributions	(2.46)	(1.89)	(2.72)
Retained distributions on accumulation shares	2.46	1.89	2.72
Closing net asset value per share (c)	272.25	250.56	211.49
* after direct transaction costs of:	0.15	0.15	0.47
<b>Performance</b>			
Return after charges (%)	8.66%	18.47%	(1.03)%
<b>Other information</b>			
Closing net asset value (€'000)	2,989	4,195	3,839
Closing number of shares	1,098,013	1,673,929	1,814,771
Operating charges	1.89%	1.91%	1.92%
Direct transaction costs	0.06%	0.07%	0.21%
<b>Prices</b>			
Highest share price	293.28	256.61	242.80
Lowest share price	242.36	174.52	193.49

**Comparative Table**

(continued)

for the year ended 31 July 2017

**Net Asset Value and Ongoing Charges Figure**

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	125.96	105.89	106.62
Return before operating charges*	12.83	21.28	0.56
Operating charges	(1.53)	(1.21)	(1.29)
Return after operating charges*	11.30	20.07	(0.73)
Distributions	(1.67)	(1.34)	(1.74)
Retained distributions on accumulation shares	1.67	1.34	1.74
Closing net asset value per share (c)	137.26	125.96	105.89
* after direct transaction costs of:	0.08	0.08	0.23
<b>Performance</b>			
Return after charges (%)	8.97%	18.95%	(0.68)%
<b>Other information</b>			
Closing net asset value (€'000)	65,195	59,811	55,334
Closing number of shares	47,494,318	47,484,981	52,260,552
Operating charges	1.14%	1.16%	1.17%
Direct transaction costs	0.06%	0.07%	0.21%
<b>Prices</b>			
Highest share price	147.55	128.98	121.49
Lowest share price	121.81	87.66	96.64

## Stewart Investors Latin America Fund

### Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		22,943		47,019
Revenue	3	4,906		3,439	
Expenses	4	(2,251)		(1,609)	
Interest payable and similar charges		(3)		(4)	
<b>Net revenue before taxation</b>		<b>2,652</b>		<b>1,826</b>	
Taxation	5	(529)		(439)	
<b>Net revenue after taxation</b>			<b>2,123</b>		<b>1,387</b>
<b>Total return before distributions</b>			<b>25,066</b>		<b>48,406</b>
Distributions	6		(2,124)		(1,390)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>22,942</b>		<b>47,016</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>165,807</b>		<b>123,154</b>
Amounts receivable on issue of shares	13,337		9,070	
Less: Amounts payable on cancellation of shares	(15,275)		(14,873)	
		(1,938)		(5,803)
Dilution adjustment		47		39
Change in net assets attributable to shareholders from investment activities		22,942		47,016
Retained distribution on accumulation shares		2,140		1,401
<b>Closing net assets attributable to shareholders</b>		<b>188,998</b>		<b>165,807</b>

Notes to the Financial Statements are on pages 390 to 395.

# Stewart Investors Latin America Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>178,925</u>	<u>157,317</u>
<b>Current assets</b>			
Debtors	8	254	389
Cash and bank balances		<u>11,325</u>	<u>8,443</u>
<b>Total assets</b>		<u><b>190,504</b></u>	<u><b>166,149</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Other creditors	9	<u>(1,506)</u>	<u>(342)</u>
<b>Total liabilities</b>		<u><b>(1,506)</b></u>	<u><b>(342)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>188,998</b></u>	<u><b>165,807</b></u>

*Notes to the Financial Statements are on pages 390 to 395.*

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	23,070	46,159
Forward foreign exchange currency contracts	(13)	(24)
Currency (losses)/gains	(114)	884
Net capital gains	<u>22,943</u>	<u>47,019</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	63	11
Overseas taxable revenue	(15)	(23)
Overseas non-taxable revenue	3,553	2,448
Overseas scrip dividends	32	-
Interest from bank deposits	2	1
Interest from government and fixed-interest securities	29	7
Interest on capital revenue from Brazilian companies	1,198	903
Initial Charge Revenue	44	92
Total revenue	<u>4,906</u>	<u>3,439</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>1,927</u>	<u>1,357</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>27</u>	<u>20</u>
<b>Other expenses:</b>		
Audit fee	12	10
Registrar fees	38	43
Safe custody charges	143	95
Other expenses	<u>104</u>	<u>84</u>
	<u>297</u>	<u>232</u>
Total expenses	<u>2,251</u>	<u>1,609</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	529	439
Total taxation (note 5b)	<u>529</u>	<u>439</u>
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	2,652	1,826
Corporation tax of 20% (2016: 20%)	530	365
<b>Effects of:</b>		
UK dividends*	(13)	(2)
Non-taxable scrip dividends*	(6)	-
Overseas non-taxable revenue*	(710)	(490)
Movement in excess management expenses	234	152
Irrecoverable overseas tax	529	439
Overseas tax expensed	(35)	(25)
Total tax charge for year (note 5a)	<u>529</u>	<u>439</u>

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

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

**(c) Deferred taxation:**

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

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,695,163 (31/07/16: £1,461,257); this relates to surplus management expenses. No deferred tax asset was recognised in the current and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

## 6. Distributions

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

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	1,069	453
Final distribution	1,071	948
	<u>2,140</u>	<u>1,401</u>
Add: revenue deducted on cancellation of shares	26	16
Deduct: revenue received on issue of shares	(42)	(27)
Net distributions for the year	<u>2,124</u>	<u>1,390</u>

*Details of the distributions per share are set out in the Distribution Tables on pages 396 to 397.*

## 7. Movement between net revenue and net distributions

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	2,123	1,387
Movement in net income as a result of conversions	1	3
Net distributions for the year	<u>2,124</u>	<u>1,390</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Amounts receivable for issue of shares	7	356
Accrued revenue	247	33
<b>Total debtors</b>	<b>254</b>	<b>389</b>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Amounts payable for cancellation of shares	1,248	148
Accrued expenses	258	194
<b>Total creditors</b>	<b>1,506</b>	<b>342</b>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	42,255	54,350	48,800	53,013
Bonds	22,383	-	17,445	-
<b>Trades in the year before transaction costs</b>	<b>64,638</b>	<b>54,350</b>	<b>66,245</b>	<b>53,013</b>
<b>Commissions</b>				
Equities	35	36	(47)	(37)
Bonds	-	-	-	-
<b>Total commissions</b>	<b>35</b>	<b>36</b>	<b>(47)</b>	<b>(37)</b>
<b>Taxes</b>				
Equities	14	12	(8)	(6)
Bonds	-	-	-	-
<b>Total taxes</b>	<b>14</b>	<b>12</b>	<b>(8)</b>	<b>(6)</b>
<b>Total costs</b>	<b>49</b>	<b>48</b>	<b>(55)</b>	<b>(43)</b>
<b>Total net trades in the year after transaction costs</b>	<b>64,687</b>	<b>54,398</b>	<b>66,190</b>	<b>52,970</b>

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

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.08	0.07	0.10	0.07
Bonds	-	-	-	-
<b>Taxes</b>				
Equities	0.03	0.02	0.02	0.01
Bonds	-	-	-	-

as at 31 July 2017

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

	31 July 2017	31 July 2016
	%	%
Commissions	0.05	0.06
Taxes	0.01	0.01
Total costs	0.06	0.07

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.48% (31/07/2016: 0.66%).

### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

### 12. Derivatives and other financial instruments

#### (a) General

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

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

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

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

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

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

#### Fair value of financial assets and financial liabilities

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

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£17,892,455) (31/07/16: £15,732,684).

#### (b) Interest-rate risk

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

As at 31 July 2017, 10.91% (31/07/2016: 5.09%) of the Fund's assets were interest-bearing.

As at 31 July 2017, if interest rates increase or decrease by 0.25%, with all other variables remaining constant, the resulting change in the net assets attributable to shareholders of the Stewart Investors Latin America Fund would be an increase or decrease of approximately £51,528 (31/07/16: £32,696).

as at 31 July 2017

(c) *Analysis of the Fund's currency exposure*

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

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets 31 July 2017		Net foreign currency assets 31 July 2016	
	Total £'000		Total £'000	
Brazilian real	73,880		75,827	
Chilean peso	42,350		45,438	
Colombian peso	1,539		632	
Euro	(1,069)		161	
Mexican peso	17,896		10,245	
Peruvian nuevo sol	4,563		4,157	
US dollar	42,593		21,271	
Total	<u>181,752</u>		<u>157,731</u>	

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.81% (£9,087,587) (31/07/16: 4.76% (£7,886,576)).

### 13. Related parties

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

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £170,246 (31/07/16: £139,313) due at the year end.

As at 31 July 2017, RBC, as trustee for First State Investment Services (UK) Limited Employee Benefits Trust, a related party of the ACD, owned 0.04% (31/07/16: 0.10%) of the net asset value of the Fund.

#### Material Shareholders

Skandia Mutual Life Insurance Company and FundSettle EOC Nominees Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 47.6% and 16.5% of the Fund's shares in issue respectively.

### 14. Share classes

The Fund has four share classes in issue.

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

	%
Share class A Accumulation (Retail):	1.75
Share class B Accumulation (Institutional):	1.00
Share class A Accumulation (EUR share class) (Retail):	1.75
Share class B Accumulation (EUR share class) (Institutional):	1.00

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 384 to 387.

The distributions per share class are given in the Distribution Tables on pages 396 to 397.

All share classes have the same rights on winding up.

#### Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	6,507,755	179,984	(821,416)	(195,307)	5,671,016
Share class B Accumulation (Institutional)	40,725,142	1,429,532	(1,203,166)	183,221	41,134,729
Share class A Accumulation (EUR share class) (Retail)	1,673,929	204,813	(780,729)	-	1,098,013
Share class B Accumulation (EUR share class) (Institutional)	47,484,981	7,250,552	(7,241,215)	-	47,494,318

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	178,925	-	157,317	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	178,925	-	157,317	-

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

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

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

# Stewart Investors Latin America Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.5329	-	0.5329	-
Final	0.4721	-	0.4721	0.3702
Group 2	(p)	(p)	(p)	(p)
Interim	0.3750	0.1579	0.5329	-
Final	0.1212	0.3509	0.4721	0.3702

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.6342	-	1.6342	0.7202
Final	1.6660	-	1.6660	1.3643
Group 2	(p)	(p)	(p)	(p)
Interim	0.9613	0.6729	1.6342	0.7202
Final	1.1711	0.4949	1.6660	1.3643

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.6909	-	1.6909	0.2866
Final	0.7711	-	0.7711	1.6018
Group 2	(c)	(c)	(c)	(c)
Interim	0.9971	0.6938	1.6909	0.2866
Final	0.4910	0.2801	0.7711	1.6018

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.8463	-	0.8463	0.4806
Final	0.8266	-	0.8266	0.8620
Group 2	(c)	(c)	(c)	(c)
Interim	0.6102	0.2361	0.8463	0.4806
Final	0.1555	0.6711	0.8266	0.8620

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Corporate tax for all share classes (unaudited)

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

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

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

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

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

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

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

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

# First State Diversified Growth Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to protect against UK inflation and provide growth by achieving a positive return of 4% in excess of the UK Retail Price 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.

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 100% of the net assets of the Fund may be invested in other collective investment schemes, including in collective investment schemes managed by the ACD or its associates ("Associated Schemes"), and/or other Funds of the Company ("Second Funds").

Investment may be in cash or near cash.

Derivatives may include, but shall not be limited to, foreign exchange forwards, futures, options and swaps.

- The Fund may use derivatives for the purposes of meeting its investment objective and for efficient portfolio management purposes.
- Clarification point 1: For the avoidance of doubt, if the UK Retail Prices Index is discontinued or is no longer accepted as a relevant market standard indicator of UK Inflation, the ACD may substitute a replacement benchmark. It is the intention of the ACD that the replacement benchmark (if any) will be as close as possible to the UK Retail Prices Index and shall not affect the Fund's investment policy, intended return or risk profile. 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 500%. Leverage may, however, in certain circumstances, exceed such maximum figure.

### Risks and reward profile

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

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

The Fund might also experience the following risks:

for the year ended 31 July 2017

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

### Performance

The Fund rose by 10.6% in sterling terms over the year to 31 July 2017.

### Portfolio changes

The composition of the portfolio is reviewed and amended at least twice a year, or more frequently if required during particularly volatile market conditions. The most recent review in April 2017 saw a reduction in exposure to risk assets including equities, high-yield credit and commodities. Proceeds of these sales were reinvested in global bonds, both short and long-dated.

Subsequently, following the UK election in June, the Fund's exposure to developed-market foreign currency was increased. This move was based on the apparent deterioration in the UK economy – highlighted by weakening GDP growth, consumer spending, business investment and net trade – and a weak position in regard to Brexit negotiations. We believe there is downside potential for sterling as negotiations continue; having a higher allocation to developed-market foreign currency reduces overall risk in the portfolio.

### Outlook

Market volatility continues to present opportunities to add value through dynamic asset allocation. Overall, however, we remain wary of current asset valuations, especially in developed equity and sovereign bond markets. In fact, unless we see a marked improvement in corporate earnings growth, risk assets appear relatively unattractive. Inflation-linked bonds and short-dated global bonds have greater appeal at current levels. Overall, the Fund has a bias towards European assets (equities, credit and currency), as the anticipated improvement in consumption appears likely to underpin earnings.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	1.6	5.6	10.6	-	-	-	15.6
Benchmark return %	1.2	1.8	3.3	-	-	-	4.8
Sector return %	3.0	6.1	13.5	-	-	-	19.0
Quartile ranking	4	3	3	-	-	-	3

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	10.6	5.9	-	-	-

*Benchmark: RPI published by the UK Office of National Statistics.*

*Sector: IA Specialist.*

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

for the year ended 31 July 2017

**Ten largest holdings**

Stock name	31 July 2017		31 July 2016
	% of Fund	Stock name	% of Fund
United States Treasury Inflation Indexed Bonds 0.125% 15/07/2026	8.57	United Kingdom Gilt 4% 07/09/2016	8.43
United Kingdom Treasury Bill 0% 29/08/2017	7.40	United Kingdom Gilt Inflation Linked 1.875% 22/11/2022	8.07
Australia Government Bond 3% 20/09/2025	5.45	iShares USD High Yield Corporate Bond UCITS ETF	7.99
United Kingdom Treasury Bill 0% 11/09/2017	4.94	iShares Euro High Yield Corporate Bond UCITS ETF	5.18
United Kingdom Gilt 1.5% 22/07/2026	4.85	United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	4.66
iShares J.P. Morgan USD EM Bond UCITS ETF	4.69	LYXOR Commodities Thomson Reuters ETF	3.14
iShares USD High Yield Corporate Bond UCITS ETF	4.59	db x-trackers II-IBOxx Euro High Yield Bond UCITS ETF	2.50
United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	4.18	Indonesia Treasury Bond 11% 15/09/2025	1.62
db x-trackers II-IBOxx Euro High Yield Bond UCITS ETF	2.34	Malaysia Government Bond 4.048% 30/09/2021	1.54
iShares Euro High Yield Corporate Bond UCITS ETF	1.93	Brazil Letras do Tesouro Nacional 0% 01/01/2019	1.98

**Types of shares**

Accumulation.

# First State Diversified Growth Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
<b>UNITED KINGDOM (45.05%*)</b>	<b>7,609</b>	<b>37.56</b>
525 3i Group	5	0.02
489 Aberdeen Asset Management	2	0.01
115 Admiral Group	2	0.01
744 Anglo American	9	0.04
26 Aon	3	0.01
265 Ashtead Group	4	0.02
189 Associated British Foods	6	0.03
671 AstraZeneca	31	0.15
523 Auto Trader Group	2	0.01
2,320 Aviva	12	0.06
134 Babcock International Group	1	0.01
1,715 BAE Systems	10	0.05
8,985 Barclays	18	0.09
539 Barratt Developments	3	0.01
70 Berkeley Group Holdings	2	0.01
1,120 BHP Billiton	15	0.07
10,200 BP	46	0.23
1,035 British American Tobacco	49	0.24
519 British Land REIT**	3	0.01
4,488 BT Group	14	0.07
180 Bunzl	4	0.02
234 Burberry Group	4	0.02
364 Capita	2	0.01
101 Carnival	5	0.02
3,036 Centrica	6	0.03
28 Charter Communications 'A' Shares	8	0.04
906 Cobham	1	0.01
874 Compass Group	14	0.07
70 Croda International	3	0.02
1,334 Diageo	33	0.16
785 Direct Line Insurance Group	3	0.02
519 Dixons Carphone	1	0.01
84 easyJet	1	0.01
511 Experian	8	0.04
139 Ferguson	6	0.03
117 Fresnillo	2	0.01
836 G4S	3	0.02
974 GKN	3	0.02
2,697 GlaxoSmithKline	41	0.20
6,488 Glencore	22	0.11
446 Hammerson REIT**	3	0.01
138 Hargreaves Lansdown	2	0.01
76 Hikma Pharmaceuticals	1	0.01
10,618 HSBC Holdings	80	0.39
144 IMI	2	0.01
511 Imperial Tobacco Group	16	0.08
247 Inmarsat	2	0.01
98 InterContinental Hotels Group	4	0.02
86 Intertek Group	4	0.02
503 Intu Properties REIT**	1	0.01
348 Investec	2	0.01

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets
4,046 iShares Euro High Yield Corporate Bond UCITS ETF#	391	1.93
11,000 iShares J.P. Morgan USD EM Bond UCITS ETF#	950	4.69
11,484 iShares USD High Yield Corporate Bond UCITS ETF#	929	4.59
2,013 ITV	4	0.02
893 J Sainsbury	2	0.01
103 Johnson Matthey	3	0.02
1,213 Kingfisher	4	0.02
419 Land Securities Group REIT**	4	0.02
3,283 Legal & General Group	9	0.04
36,896 Lloyds Banking Group	24	0.12
167 London Stock Exchange Group	6	0.03
892 Marks & Spencer Group	3	0.02
195 Mediclinic International	1	0.01
411 Meggitt	2	0.01
380 Merlin Entertainments	2	0.01
197 Mondi	4	0.02
1,829 National Grid	17	0.08
74 Next	3	0.02
2,614 Old Mutual	5	0.02
527 Pearson	3	0.02
164 Persimmon	4	0.02
138 Petrofac	-	-
80 Provident Financial	2	0.01
1,430 Prudential	26	0.13
50 Randgold Resources	4	0.02
348 Reckitt Benckiser Group	26	0.13
583 RELX	10	0.05
656 Rio Tinto	23	0.11
975 Rolls-Royce Holdings	9	0.04
388,971 Rolls-Royce Holdings 'C' Preference Shares	-	-
1,881 Royal Bank of Scotland Group	5	0.02
2,389 Royal Dutch Shell 'A' Shares	51	0.25
1,986 Royal Dutch Shell 'B' Shares	43	0.21
477 Royal Mail	2	0.01
540 RSA Insurance Group	3	0.01
573 Sage Group	4	0.02
75 Schroders	3	0.01
528 Segro REIT**	3	0.01
127 Severn Trent	3	0.01
479 Shire	21	0.10
547 Sky	5	0.02
489 Smith & Nephew	6	0.03
210 Smiths Group	3	0.02
538 SSE	7	0.03
292 St James's Place	4	0.02
1,741 Standard Chartered	15	0.07
1,146 Standard Life	5	0.02
247 Tate & Lyle	2	0.01
1,907 Taylor Wimpey	4	0.02
4,334 Tesco	8	0.04
146 Travis Perkins	2	0.01
685 Unilever	30	0.15
GBP950,000 United Kingdom Gilt 1.5% 22/07/2026	982	4.85
GBP653,859 United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	846	4.18

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values		Market Value £'000	Total Net Assets
GBP1,000,000	United Kingdom Treasury Bill 0% 11/09/2017	1,000	4.94
GBP1,500,000	United Kingdom Treasury Bill 0% 29/08/2017	1,500	7.40
362	United Utilities Group	3	0.01
14,113	Vodafone Group	31	0.15
116	Weir Group	2	0.01
98	Whitbread	4	0.02
471	William Hill	1	0.01
1,194	WM Morrison Supermarkets	3	0.02
954	Worldpay Group	4	0.02
678	WPP	10	0.05
	<b>UNITED STATES (22.62%*)</b>	<b>3,212</b>	<b>15.86</b>
58	3M	9	0.05
163	Abbott Laboratories	6	0.03
152	AbbVie	8	0.04
59	Accenture	6	0.03
74	Activision Blizzard	3	0.02
13	Adient	1	0.01
47	Adobe Systems	5	0.03
4	AdvanSix	-	-
32	Aetna	4	0.02
56	Aflac	3	0.02
48	Agilent Technologies	2	0.01
28	Air Products & Chemicals	3	0.02
30	Alexion Pharmaceuticals	3	0.02
37	Allergan	7	0.03
51	Allstate	3	0.02
28	Alphabet 'A' Shares	20	0.10
30	Alphabet 'C' Shares	22	0.11
84	Altaba	4	0.02
184	Altria Group	9	0.04
43	Amazon.com	33	0.16
47	American Electric Power	3	0.02
79	American Express	5	0.02
116	American International Group	6	0.03
40	American Tower REIT**	4	0.02
25	Ameriprise Financial	3	0.02
40	AMETEK	2	0.01
71	Amgen	9	0.04
45	Amphenol	3	0.02
54	Anadarko Petroleum	2	0.01
46	Analog Devices	3	0.02
24	Anthem	3	0.02
54	Apache	2	0.01
518	Apple	59	0.29
113	Applied Materials	4	0.02
78	Archer-Daniels-Midland	2	0.01
570	AT&T	17	0.08
43	Automatic Data Processing	4	0.02
4	AutoZone	2	0.01
18	AvalonBay Communities REIT**	3	0.02
58	Baker Hughes	2	0.01
100	Ball	3	0.02
1,101	Bank of America	20	0.10
103	Bank of New York Mellon	4	0.02

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
70 Baxter International	3	0.02
87 BB&T	3	0.02
20 Becton Dickinson	3	0.02
111 Berkshire Hathaway 'B' Shares	15	0.07
21 Biogen	5	0.03
16 Bioverativ	1	0.01
12 BlackRock	4	0.02
65 Boeing	12	0.06
20 Boston Properties REIT**	2	0.01
127 Boston Scientific	3	0.02
156 Bristol-Myers Squibb	7	0.04
36 Broadcom	7	0.04
50 Capital One Financial	3	0.02
43 Cardinal Health	2	0.01
59 Carnival	3	0.02
55 Caterpillar	5	0.03
57 CBS	3	0.02
73 Celgene	7	0.04
79 CenturyLink	1	0.01
45 Cerner	2	0.01
111 Charles Schwab	4	0.02
29 Cheniere Energy	1	0.01
176 Chevron	15	0.08
43 Chubb	5	0.03
24 Cigna	3	0.02
473 Cisco Systems	11	0.06
277 Citigroup	14	0.07
19 Clorox	2	0.01
35 CME Group	3	0.02
385 Coca-Cola	13	0.06
56 Cognizant Technology Solutions	3	0.02
80 Colgate-Palmolive	4	0.02
465 Comcast 'A' Shares	14	0.07
62 ConAgra Brands	2	0.01
19 Concho Resources	2	0.01
116 ConocoPhillips	4	0.02
43 Consolidated Edison	3	0.02
23 Constellation Brands 'A' Shares	3	0.02
156 Corning	3	0.02
41 Costco Wholesale	5	0.03
11 CR Bard	3	0.02
31 Crown Castle International REIT**	2	0.01
91 CSX	3	0.02
23 Cummins	3	0.02
105 CVS Health	6	0.03
58 Danaher	4	0.02
30 Deere	3	0.02
31 Dell Technologies	1	0.01
41 Delphi Automotive	3	0.02
35 Dentsply Sirona	2	0.01
70 Devon Energy	2	0.01
56 Discover Financial Services	3	0.02
45 Dollar General	3	0.02
33 Dollar Tree	2	0.01

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
56 Dominion Energy	3	0.02
105 Dow Chemical	5	0.02
28 Dr Pepper Snapple Group	2	0.01
26 DTE Energy	2	0.01
63 Duke Energy	4	0.02
20 DXC Technology	1	0.01
50 Eaton	3	0.02
101 eBay	3	0.02
24 Ecolab	2	0.01
46 Edison International	3	0.02
32 Edwards Lifesciences	3	0.02
82 El du Pont de Nemours & Company	5	0.02
32 Electronic Arts	3	0.02
94 Eli Lilly & Company	6	0.03
62 Emerson Electric	3	0.02
51 EOG Resources	4	0.02
20 Equifax	2	0.01
8 Equinix REIT**	3	0.02
52 Equity Residential REIT**	3	0.02
9 Essex Property Trust REIT**	2	0.01
33 Estee Lauder	2	0.01
46 Eversource Energy	2	0.01
87 Exelon	3	0.02
63 Express Scripts Holding	3	0.02
388 Exxon Mobil	24	0.12
213 Facebook	28	0.14
25 FedEx	4	0.02
41 Fidelity National Information Services	3	0.01
30 Fiserv	3	0.01
346 Ford Motor	3	0.02
45 Fortive	2	0.01
60 Franklin Resources	2	0.01
25 General Dynamics	4	0.02
866 General Electric	17	0.08
56 General Mills	2	0.01
134 General Motors	4	0.02
82 GGP REIT**	1	0.01
136 Gilead Sciences	8	0.04
36 Goldman Sachs Group	6	0.03
81 Halliburton	3	0.01
58 Hartford Financial Services Group	2	0.01
43 HCA Holdings	3	0.02
66 HCP REIT**	2	0.01
41 Hess	1	0.01
168 Hewlett Packard Enterprise	2	0.01
119 Home Depot	13	0.06
68 Honeywell International	7	0.03
236 HP	3	0.01
20 Humana	4	0.02
30 Illinois Tool Works	3	0.01
19 Illumina	3	0.01
38 Ingersoll-Rand	3	0.01
1 Ingevity	-	-
441 Intel	12	0.06

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
56 Intercontinental Exchange	3	0.01
87 International Business Machines	10	0.05
56 International Paper	2	0.01
33 Intuit	3	0.01
4 Intuitive Surgical	3	0.01
12 JBG SMITH Properties Registered REIT**	-	-
18 JM Smucker	2	0.01
259 Johnson & Johnson	26	0.13
89 Johnson Controls International	3	0.01
344 JPMorgan Chase & Company	24	0.12
38 Kellogg	2	0.01
54 KeyCorp	1	-
34 Kimberly-Clark	3	0.01
178 Kinder Morgan	3	0.01
56 Kraft Heinz	4	0.02
123 Kroger	2	0.01
36 L Brands	1	0.01
20 Lamb Weston Holdings	1	0.01
61 Las Vegas Sands	3	0.01
44 Level 3 Communications	2	0.01
82 Liberty Global 'C' Shares	2	0.01
12 Liberty Global 'C Tracking' Shares	-	-
86 Lowe's	5	0.02
19 M&T Bank	2	0.01
52 Macy's	1	0.01
70 Marathon Petroleum	3	0.01
1 Markel	1	0.01
49 Marsh & McLennan	3	0.01
93 MasterCard	9	0.04
99 McDonald's	12	0.06
21 McKesson	3	0.01
134 Medtronic	9	0.04
262 Merck & Company	13	0.06
90 MetLife	4	0.02
805 Microsoft	45	0.22
27 Molson Coors Brewing 'B' Shares	2	0.01
150 Mondelez International 'A' Shares	5	0.02
41 Monsanto	4	0.02
63 Monster Beverage	3	0.01
26 Moody's	3	0.01
137 Morgan Stanley	5	0.02
60 Mylan	2	0.01
38 Netflix	5	0.02
63 Newell Brands	2	0.01
76 Newmont Mining	2	0.01
43 NextEra Energy	5	0.02
50 Nielsen Holdings	2	0.01
128 NIKE 'B' Shares	6	0.03
61 Noble Energy	1	0.01
28 Norfolk Southern	2	0.01
32 Northern Trust	2	0.01
20 Northrop Grumman	4	0.02
46 Nucor	2	0.01
50 NVIDIA	6	0.03

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
72 Occidental Petroleum	3	0.01
32 Omnicom Group	2	0.01
299 Oracle	11	0.05
13 O'Reilly Automotive	2	0.01
46 PACCAR	2	0.01
9 Palo Alto Networks	1	0.01
18 Parker-Hannifin	2	0.01
46 Paychex	2	0.01
104 PayPal Holdings	5	0.02
137 PepsiCo	12	0.06
572 Pfizer	14	0.07
47 PG&E	2	0.01
147 Philip Morris International	13	0.06
50 Phillips 66	3	0.01
21 Pioneer Natural Resources	3	0.01
48 PNC Financial Services Group	5	0.02
36 PPG Industries	3	0.01
89 PPL	3	0.01
27 Praxair	3	0.01
4 Priceline Group	6	0.03
254 Procter & Gamble	17	0.08
77 Progressive	3	0.01
78 Prologis REIT**	4	0.02
42 Prudential Financial	4	0.02
67 Public Service Enterprise Group	2	0.01
20 Public Storage REIT**	3	0.01
143 QUALCOMM	6	0.03
13 Quality Care Properties REIT**	-	-
29 Raytheon	4	0.02
36 Realty Income REIT**	2	0.01
10 Regeneron Pharmaceuticals	4	0.02
18 Rockwell Automation	2	0.01
14 Roper Technologies	2	0.01
54 Ross Stores	2	0.01
25 S&P Global	3	0.01
59 salesforce.com	4	0.02
132 Schlumberger	7	0.03
31 Sempra Energy	3	0.01
11 Sherwin-Williams	3	0.01
30 Simon Property Group REIT**	4	0.02
86 Southern	3	0.01
22 Stanley Black & Decker	2	0.01
141 Starbucks	6	0.03
38 State Street	3	0.01
31 Stryker	3	0.01
67 SunTrust Banks	3	0.01
90 Symantec	2	0.01
111 Synchrony Financial	3	0.01
74 Sysco	3	0.01
36 T Rowe Price Group	2	0.01
77 Target	3	0.01
51 TE Connectivity	3	0.01
13 Tesla Motors	3	0.01
96 Texas Instruments	6	0.03

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets
38 Thermo Fisher Scientific	5	0.02
75 Time Warner	6	0.03
63 TJX	3	0.01
29 Travelers	3	0.01
152 Twenty-First Century Fox	3	0.01
71 Twitter	1	0.01
43 Tyson Foods 'A' Shares	2	0.01
81 Union Pacific	6	0.03
64 United Parcel Service	5	0.02
USD2,300,000 United States Treasury Inflation Indexed Bonds 0.125% 15/07/2026	1,737	8.57
79 United Technologies	7	0.03
90 UnitedHealth Group	13	0.06
164 US Bancorp	7	0.03
64 Valero Energy	3	0.01
48 Ventas REIT**	2	0.01
380 Verizon Communications	14	0.07
14 Versum Materials	-	-
26 Vertex Pharmaceuticals	3	0.01
57 VF	3	0.01
182 Visa	14	0.07
25 Vornado Realty Trust REIT**	2	0.01
20 Vulcan Materials	2	0.01
82 Walgreens Boots Alliance	5	0.02
150 Wal-Mart Stores	9	0.04
148 Walt Disney	12	0.06
59 Waste Management	3	0.01
46 WEC Energy Group	2	0.01
451 Wells Fargo & Company	18	0.09
46 Welltower REIT**	3	0.01
103 Weyerhaeuser REIT**	3	0.01
12 Whirlpool	2	0.01
94 Williams	2	0.01
67 Xcel Energy	2	0.01
62 Yum China Holdings	2	0.01
57 Yum! Brands	3	0.01
28 Zimmer Biomet Holdings	3	0.01
71 Zoetis	3	0.01
<b>CANADA (0.69%*)</b>	<b>75</b>	<b>0.37</b>
30 Agrium	2	0.01
60 Alimentation Couche-Tard 'B' Shares	2	0.01
62 Bank of Montreal	4	0.02
117 Bank of Nova Scotia	6	0.03
153 Barrick Gold	2	0.01
83 Brookfield Asset Management 'A' Shares	2	0.01
2 Brookfield Business Partners	-	-
38 Canadian Imperial Bank of Commerce	3	0.02
74 Canadian National Railway	4	0.02
103 Canadian Natural Resources	2	0.01
19 Canadian Pacific Railway	2	0.01
183 Cenovus Energy	1	0.01
90 Enbridge (CAD)	3	0.02
87 Enbridge (USD)	3	0.02
108 Goldcorp	1	0.01
40 Imperial Oil	1	0.01

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
15 Loblaw	1	-
58 Magna International	2	0.01
192 Manulife Financial	3	0.01
22 National Bank of Canada	1	-
179 Potash Corp of Saskatchewan	2	0.01
3 PrairieSky Royalty	-	-
30 Rogers Communications	1	-
146 Royal Bank of Canada	8	0.04
82 Sun Life Financial	2	0.01
153 Suncor Energy	4	0.02
56 Thomson Reuters	2	0.01
180 Toronto-Dominion Bank	7	0.03
67 TransCanada	3	0.01
48 Valeant Pharmaceuticals International	1	-
<b>BELGIUM (0.08%*)</b>	<b>166</b>	<b>0.82</b>
764 Anheuser-Busch InBev	70	0.35
1,045 Anheuser-Busch InBev RSTR	96	0.47
<b>DENMARK (0.14%*)</b>	<b>13</b>	<b>0.06</b>
93 Danske Bank	3	0.01
211 Novo Nordisk 'B' Shares	7	0.03
16 Pandora	1	0.01
33 Vestas Wind Systems	2	0.01
<b>FINLAND (0.07%*)</b>	<b>33</b>	<b>0.16</b>
48 Kone 'B' Shares	2	0.01
5,793 Nokia	28	0.14
64 Sampo 'A' Shares	3	0.01
<b>FRANCE (3.90%*)</b>	<b>729</b>	<b>3.60</b>
384 Air Liquide	36	0.18
2,041 AXA	46	0.23
1,083 BNP Paribas	64	0.32
24 Capgemini	2	0.01
2 Carrefour	-	-
28 Cie Generale des Etablissements Michelin	3	0.02
625 Danone	36	0.18
1,705 Engie	21	0.10
218 Essilor International	21	0.10
39 Legrand	2	0.01
243 L'Oréal	38	0.19
47 L'Oreal Loyalty Bonus	7	0.03
273 LVMH Moet Hennessy Louis Vuitton	52	0.26
1,991 Orange	26	0.13
31 Pernod Ricard	3	0.01
28 Renault	2	0.01
307 Safran	22	0.11
520 Saint-Gobain	22	0.11
1,174 Sanofi	87	0.43
579 Schneider Electric	35	0.17
773 Societe Generale	35	0.17
2,463 TOTAL	95	0.47
101 Unibail-Rodamco REIT**	19	0.09
544 Vinci	37	0.18
1,037 Vivendi	18	0.09

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
<b>GERMANY (0.83%*)</b>	<b>693</b>	<b>3.42</b>
196 adidas	34	0.17
463 Allianz	75	0.37
913 BASF	66	0.33
817 Bayer	79	0.39
315 Bayerische Motoren Werke	22	0.11
18 Continental	3	0.01
981 Daimler	52	0.26
2,026 Deutsche Bank	28	0.14
28 Deutsche Boerse	2	0.01
974 Deutsche Post	29	0.14
3,309 Deutsche Telekom	46	0.23
2,052 E.ON	15	0.07
405 Fresenius	26	0.13
32 Fresenius Medical Care	2	0.01
26 Henkel Preference Shares	3	0.01
162 Infineon Technologies	3	0.02
25 Linde	4	0.02
165 Muenchener Rueckversicherungs-Gesellschaft	27	0.13
1,009 SAP	81	0.40
836 Siemens	87	0.43
265 TUI	3	0.01
29 Uniper	-	-
37 Volkswagen Preference Shares	4	0.02
69 Vonovia	2	0.01
<b>IRELAND (0.62%*)</b>	<b>25</b>	<b>0.12</b>
704 CRH (EUR)	19	0.09
30 CRH (GBP)	1	0.01
47 DCC	3	0.01
19 Willis Towers Watson	2	0.01
<b>ITALY (0.10%*)</b>	<b>105</b>	<b>0.52</b>
168 Assicurazioni Generali	2	0.01
7,654 Enel	33	0.16
2,505 Eni	30	0.15
13,646 Intesa Sanpaolo	36	0.18
237 UniCredit	4	0.02
<b>LUXEMBOURG (2.50%*)</b>	<b>475</b>	<b>2.34</b>
29,545 db x-trackers II-IBoxx Euro High Yield Bond UCITS ETF#	475	2.34
<b>NETHERLANDS (0.28%*)</b>	<b>263</b>	<b>1.30</b>
4 Aegon	-	-
571 Airbus	37	0.18
37 Akzo Nobel	3	0.02
373 ASML Holding	43	0.21
33 Heineken	3	0.02
3,752 ING Group	53	0.26
1,205 Koninklijke Ahold Delhaize	19	0.09
941 Koninklijke Philips	27	0.13
36 LyondellBasell Industries	2	0.01
148 RELX	2	0.01
1,672 Unilever	74	0.37
<b>NORWAY (0.02%*)</b>	<b>2</b>	<b>0.01</b>
167 Statoil	2	0.01

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
<b>SPAIN (0.20%*)</b>	<b>238</b>	<b>1.18</b>
67 Amadeus IT Group	3	0.02
6,427 Banco Bilbao Vizcaya Argentaria 'A' Shares	45	0.22
15,999 Banco Santander	83	0.41
5,906 Iberdrola	36	0.18
2 Iberdrola Rights 19/07/2017	-	-
1,100 Industria de Diseno Textil	33	0.16
4,436 Telefonica	38	0.19
<b>SWEDEN (0.19%*)</b>	<b>25</b>	<b>0.12</b>
144 Assa Abloy	2	0.01
101 Atlas Copco	3	0.01
87 Essity	2	0.01
126 Hennes & Mauritz 'B' Shares	3	0.01
66 Investor 'B' Shares	2	0.01
325 Nordea Bank	3	0.02
87 Svenska Cellulosa 'B' Shares	1	0.01
199 Svenska Handelsbanken 'A' Shares	2	0.01
120 Swedbank 'A' Shares	2	0.01
436 Telefonaktiebolaget LM Ericsson 'B' Shares	2	0.01
223 Volvo 'B' Shares	3	0.01
<b>SWITZERLAND (0.92%*)</b>	<b>78</b>	<b>0.38</b>
236 ABB	4	0.02
14 Actelion	3	0.02
49 Cie Financiere Richemont	3	0.01
96 Coca-Cola HBC	2	0.01
309 Credit Suisse Group	4	0.02
1 Givaudan	2	0.01
14 Idorsia	-	-
70 LafargeHolcim	3	0.02
297 Nestle	19	0.09
213 Novartis	14	0.07
65 Roche Holding	13	0.06
32 Swiss Re	2	0.01
2 Swisscom	1	0.01
341 UBS Group	5	0.02
15 Zurich Insurance Group	3	0.01
<b>JAPAN (1.33%*)</b>	<b>189</b>	<b>0.93</b>
82 Ajinomoto	1	0.01
55 Asahi Group Holdings	2	0.01
201 Astellas Pharma	2	0.01
106 Bridgestone	4	0.02
109 Canon	3	0.01
25 Central Japan Railway	3	0.01
43 Dai-ichi Life Holdings	1	0.01
88 Daiichi Sankyo	2	0.01
40 Daikin Industries	3	0.01
82 Daiwa House Industry	2	0.01
226 Daiwa Securities Group	1	0.01
79 Denso	3	0.01
58 East Japan Railway	4	0.02
35 Eisai	2	0.01
36 FANUC	6	0.03
8 Fast Retailing	2	0.01

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
47 FUJIFILM Holdings	1	0.01
487 Hitachi	3	0.01
164 Honda Motor	4	0.02
160 Hoya	7	0.03
168 ITOCHU	2	0.01
38 JFE Holdings	1	0.01
73 Kao	3	0.01
100 KDDI	2	0.01
8 Keyence	3	0.02
16 Kirin Holdings	-	-
165 Komatsu	3	0.01
95 Kubota	1	0.01
32 Kyocera	2	0.01
139 Mitsubishi	2	0.01
130 Mitsubishi Electric	2	0.01
172 Mitsubishi Estate	2	0.01
521 Mitsubishi Heavy Industries	2	0.01
1,265 Mitsubishi UFJ Financial Group	6	0.03
199 Mitsui & Company	2	0.01
127 Mitsui Fudosan	2	0.01
2,139 Mizuho Financial Group	3	0.02
68 MS&AD Insurance Group Holdings	2	0.01
21 Murata Manufacturing	2	0.01
38 Nidec	3	0.01
10 Nintendo	3	0.02
100 Nippon Steel & Sumitomo Metal	2	0.01
100 Nippon Telegraph & Telephone	4	0.02
396 Nissan Motor	3	0.01
47 Nitto Denko	3	0.01
496 Nomura Holdings	2	0.01
100 NTT DOCOMO	2	0.01
32 Oriental Land	2	0.01
180 ORIX	2	0.01
56 Otsuka Holdings	2	0.01
354 Panasonic	4	0.02
34 Rakuten	-	-
2 Resona Holdings	-	-
37 Secom	2	0.01
111 Seven & i Holdings	3	0.02
18 Shin-Etsu Chemical	1	-
9 SMC	2	0.01
100 SoftBank Group	6	0.03
45 Sampo Holdings	1	-
91 Sony	3	0.02
94 Subaru	3	0.02
93 Sumitomo	1	-
22 Sumitomo Electric Industries	-	-
176 Sumitomo Mitsui Financial Group	5	0.02
46 Sumitomo Mitsui Trust Holdings	1	0.01
48 Sumitomo Realty & Development	1	0.01
58 Suzuki Motor	2	0.01

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets
111 Takeda Pharmaceutical	4	0.02
96 Tokio Marine Holdings	3	0.01
829 Tokyo Gas	3	0.01
412 Toray Industries	3	0.01
689 Toshiba	1	0.01
337 Toyota Motor	14	0.07
<b>AUSTRALIA (0.56%*)</b>	<b>1,166</b>	<b>5.76</b>
168 Amcor	1	0.01
479 AMP	1	0.01
294 Australia & New Zealand Banking Group	5	0.02
AUD1,300,000 Australia Government Bond 3% 20/09/2025	1,104	5.45
299 BHP Billiton	5	0.02
351 Brambles	2	0.01
168 Commonwealth Bank of Australia	9	0.04
43 CSL	3	0.02
44 Macquarie Group	2	0.01
272 National Australia Bank	5	0.02
92 Rio Tinto	4	0.02
764 Scentre Group REIT**	2	0.01
212 Suncorp Group	2	0.01
652 Telstra	2	0.01
304 Transurban Group	2	0.01
109 Wesfarmers	3	0.01
284 Westfield REIT**	1	0.01
340 Westpac Banking	7	0.03
151 Woodside Petroleum	3	0.02
197 Woolworths	3	0.02
<b>HONG KONG (0.56%*)</b>	<b>57</b>	<b>0.28</b>
1,257 AIA Group	7	0.03
496 BOC Hong Kong Holdings	2	0.01
869 Cheung Kong Property Holdings	5	0.02
482 CK Hutchison Holdings	5	0.03
692 CLP Holdings	6	0.03
104 Hang Seng Bank	2	0.01
2,054 Hong Kong & China Gas	3	0.02
159 Hong Kong Exchanges and Clearing	3	0.02
820 Link REIT**	5	0.02
507 Power Assets Holdings	4	0.02
1,234 Sun Hung Kai Properties	15	0.07
<b>INDONESIA (1.62%*)</b>	<b>212</b>	<b>1.05</b>
IDR3,000,000,000 Indonesia Treasury Bond 11% 15/09/2025	212	1.05
<b>MALAYSIA (1.54%*)</b>	<b>198</b>	<b>0.98</b>
MYR1,100,000 Malaysia Government Bond 4.048% 30/09/2021	198	0.98
<b>SINGAPORE (0.06%*)</b>	<b>6</b>	<b>0.03</b>
157 DBS Group Holdings	2	0.01
1,100 Singapore Telecommunications	2	0.01
107 United Overseas Bank	2	0.01
<b>THAILAND (0.00%*)</b>	<b>160</b>	<b>0.79</b>
THB7,000,000 Thailand Government Bond 1.875% 17/06/2022	160	0.79
<b>HUNGARY (0.00%*)</b>	<b>156</b>	<b>0.77</b>
HUF51,000,000 Hungary Government Bond 2.5% 27/10/2021	156	0.77

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings or Nominal Values	Market Value £'000	Total Net Assets
<b>ISRAEL (0.05%*)</b>	-	-
<b>POLAND (0.00%*)</b>	231	1.14
PLN1,170,000 Poland Government Bond 2.5% 25/07/2026	231	1.14
<b>RUSSIA (0.81%*)</b>	129	0.64
RUB10,300,000 Russian Federal Bond - OFZ 7.6% 14/04/2021	129	0.64
<b>SOUTH AFRICA (1.36%*)</b>	208	1.03
ZAR3,200,000 South Africa Government Bond 10.5% 21/12/2026	208	1.03
<b>TURKEY (1.35%*)</b>	200	0.99
TRY1,000,000 Turkey Government Bond 7.4% 05/02/2020	200	0.99
<b>BRAZIL (1.98%*)</b>	218	1.08
BRL1,000,000 Brazil Letras do Tesouro Nacional 0% 01/01/2019	218	1.08
<b>CHILE (0.00%)</b>	2	0.01
209 Antofagasta	2	0.01
<b>MEXICO (1.28%*)</b>	223	1.10
MXN4,400,000 Mexican Bonos 10% 05/12/2024	223	1.10
<b>DERIVATIVES (1.15%*)</b>	137	0.67
<b>Interest Rate Swap</b>		
(12,500,000) Citibank Interest Rate Swap Pay PLN WIBOR Rec PLN 2.015% 26/10/2021	(2)	(0.01)
30,000,000 Citibank Interest Rate Swap Pay ZAR JIBAR Rec ZAR 8.185% 26/10/2026	56	0.28
18,000,000 Citibank Interest Rate Swap Rec CNY LIBOR Pay CNY 3.652% 13/12/2021	-	-
800,000,000 JP Morgan Interest Rate Swap Pay HUF BUBOR Rec HUF 1.634% 16/03/2022	74	0.36
150,000,000 JP Morgan Interest Rate Swap Pay INR MIBOR Rec INR 6.62% 07/06/2021	32	0.15
24,000,000 JP Morgan Interest Rate Swap Pay NOK NIBOR Rec HUF 1.997% 16/03/2022	3	0.02
41,000,000 JP Morgan Interest Rate Swap Pay ZAR JIBAR Rec ZAR 8.25% 15/02/2021	103	0.51
<b>Future Contracts</b>		
3 Amsterdam Index Futures August 2017	3	0.01
(24) Australian 10-Year Bond Futures September 2017	34	0.17
55 Australian 3-Year Bond Futures September 2017	(16)	(0.08)
(126) BIST 30 Futures August 2017	(24)	(0.12)
20 CAC40 10 Euro Futures August 2017	(9)	(0.04)
53 Canadian 10-Year Bond Futures September 2017	(52)	(0.26)
(5) DAX Index Future September 2017	62	0.31
(12) EURO STOXX 50 Futures September 2017	10	0.05
18 Euro-BTP Futures September 2017	41	0.20
18 FTSE 100 Index Futures September 2017	2	0.01
(57) FTSE China A50 Futures August 2017	2	0.01
13 FTSE KLCI Futures August 2017	(1)	-
(30) FTSE/JSE Top 40 Futures September 2017	(39)	(0.19)
7 Hang Seng Index Futures August 2017	13	0.06
15 IBEX 35 Index Futures August 2017	(8)	(0.04)
10 KOSPI2 Index Futures September 2017	(3)	(0.01)
(35) Mexican BOLSA Index Futures September 2017	(23)	(0.11)
(50) MSCI Singapore Index Futures August 2017	(3)	(0.01)
35 MSCI Taiwan Index Futures August 2017	(6)	(0.03)
(261) OBX Index August Future 2017	(18)	(0.09)

## Portfolio Statement

(continued)

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets
(18) OMXS30 Index Futures August 2017	13	0.06
(32) SGX Nifty 50 Futures August 2017	(4)	(0.02)
16 SPI 200 Index Futures September 2017	(4)	(0.02)
12 Swiss Market Index Futures September 2017	(31)	(0.15)
(13) Swiss Market Index Futures September 2017	(8)	(0.04)
(22) UK Long Gilt Bond Futures September 2017	5	0.02
(25) US Treasury Note 10 Year Futures September 2017	1	-
(11) S&P 500 E-mini Futures September 2017	(16)	(0.08)
<b>Forward Currency Contracts</b>		
<b>Australian Dollar</b>		
Sold AUD1,830,000 for GBP1,112,447 Settlement 29/08/2017	2	0.01
<b>Brazilian Real</b>		
Bought BRL3,785,000 for USD1,195,477 Settlement 29/08/2017	5	0.02
<b>Canadian Dollar</b>		
Bought CAD3,321,000 for GBP2,035,418 Settlement 29/08/2017	(8)	(0.04)
<b>Czech Koruna</b>		
Bought CZK35,000,000 for GBP1,205,135 Settlement 29/08/2017	(4)	(0.02)
<b>Danish Krone</b>		
Sold DKK4,100,000 for GBP493,874 Settlement 29/08/2017	1	0.01
<b>Euro</b>		
Bought EUR7,645,134 for GBP6,812,274 Settlement 04/08/2017	23	0.11
Bought EUR560,000 for GBP501,484 Settlement 29/08/2017	(1)	-
Sold EUR2,200,000 for GBP1,970,115 Settlement 29/08/2017	2	0.01
<b>Hungarian Forint</b>		
Sold HUF355,000,000 for GBP1,040,060 Settlement 29/08/2017	(3)	(0.01)
<b>Japanese Yen</b>		
Bought JPY21,000,000 for GBP144,790 Settlement 29/08/2017	-	-
<b>Mexican Peso</b>		
Bought MXN12,954,000 for GBP556,536 Settlement 29/08/2017	(5)	(0.02)
<b>New Zealand Dollar</b>		
Bought NZD1,035,000 for GBP589,288 Settlement 29/08/2017	-	-
<b>Norwegian Krone</b>		
Sold NOK10,500,000 for GBP1,008,364 Settlement 29/08/2017	3	0.01
<b>Polish Zloty</b>		
Bought PLN3,370,000 for GBP707,685 Settlement 29/08/2017	-	-
<b>Russian Ruble</b>		
Bought RUB28,500,000 for USD473,314 Settlement 29/08/2017	(2)	(0.01)
<b>Singapore Dollar</b>		
Bought SGD1,405,000 for GBP791,945 Settlement 29/08/2017	(4)	(0.02)
<b>South African Rand</b>		
Sold ZAR8,300,000 for GBP485,875 Settlement 29/08/2017	7	0.03
<b>Swedish Krona</b>		
Bought SEK2,200,000 for GBP206,244 Settlement 29/08/2017	-	-
<b>Swiss Franc</b>		
Sold CHF410,000 for GBP332,439 Settlement 29/08/2017	10	0.05

# First State Diversified Growth Fund

## Portfolio Statement

(continued)

as at 31 July 2017

	Market Value £'000	Total Net Assets
<b>Taiwan Dollar</b>		
Bought TWD12,235,000 for USD404,905 Settlement 29/08/2017	1	-
Bought THB9,700,000 for GBP222,424 Settlement 29/08/2017	-	-
<b>Turkish Lira</b>		
Sold TRY1,900,000 for GBP405,105 Settlement 29/08/2017	(2)	(0.01)
<b>US Dollar</b>		
Bought USD1,051,297 for CLP683,650,000 Settlement 29/08/2017	5	0.02
Bought USD1,133,054 for IDR15,135,000,000 Settlement 29/08/2017	-	-
Bought USD1,387,417 for AUD1,750,000 Settlement 29/08/2017	(5)	(0.02)
Bought USD1,804,243 for INR116,500,000 Settlement 29/08/2017	(4)	(0.02)
Bought USD8,973,616 for GBP6,973,753 Settlement 04/08/2017	(137)	(0.68)
Sold USD11,045,000 for GBP8,473,348 Settlement 29/08/2017	65	0.32
Sold USD69,498 for GBP54,010 Settlement 04/08/2017	1	0.01
<b>Portfolio of investments<sup>^</sup></b>	<b>17,233</b>	<b>85.07</b>
<b>Net other assets</b>	<b>3,024</b>	<b>14.93</b>
<b>Total net assets</b>	<b>20,257</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

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

Any derivative contracts were traded on an eligible derivatives exchange.

\* Comparative figures shown in brackets relate to 31 July 2016.

\*\* Real estate investment trust (REIT).

<sup>^</sup> Including derivative liabilities.

# Exchange-traded fund.

# First State Diversified Growth Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	104.51	98.70	100.00
Return before operating charges*	12.40	7.02	(1.14)
Operating charges	(1.29)	(1.21)	(0.16)
Return after operating charges*	11.11	5.81	(1.30)
Distributions	(2.12)	(1.25)	-
Retained distributions on accumulation shares	2.12	1.25	-
Closing net asset value per share (p)	115.62	104.51	98.70
* after direct transaction costs of:	0.30	0.17	0.08
<b>Performance</b>			
Return after charges (%)	10.63%	5.89%	(1.30)%
<b>Other information</b>			
Closing net asset value (£'000)	6,202	5,191	4,904
Closing number of shares	5,364,357	4,966,750	4,968,700
Operating charges	1.16%	1.25%	1.57%
Direct transaction costs	0.27%	0.17%	0.08%
<b>Prices</b>			
Highest share price	116.74	104.96	100.11
Lowest share price	103.67	90.90	98.26

Share class B Accumulation was launched on 23 June 2015.

# First State Diversified Growth Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Hedged Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	103.19	98.65	100.00
Return before operating charges*	10.87	5.81	(1.19)
Operating charges	(1.33)	(1.27)	(0.16)
Return after operating charges*	9.54	4.54	(1.35)
Distributions	(2.02)	(1.16)	-
Retained distributions on accumulation shares	2.02	1.16	-
Closing net asset value per share (c)	112.73	103.19	98.65
* after direct transaction costs of:	0.30	0.16	0.08
<b>Performance</b>			
Return after charges (%)	9.25%	4.60%	(1.35)%
<b>Other information</b>			
Closing net asset value (€'000)	7,816	7,155	6,842
Closing number of shares	6,933,350	6,933,350	6,935,300
Operating charges	1.23%	1.32%	1.63%
Direct transaction costs	0.27%	0.17%	0.08%
<b>Prices</b>			
Highest share price	113.97	103.72	100.11
Lowest share price	102.36	90.47	98.22

Share class B Hedged Accumulation (EUR share class) was launched on 23 June 2015.

# First State Diversified Growth Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Hedged Accumulation (USD share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	103.92	98.66	100.00
Return before operating charges*	13.01	6.53	(1.17)
Operating charges	(1.36)	(1.27)	(0.17)
Return after operating charges*	11.65	5.26	(1.34)
Distributions	(2.06)	(1.17)	-
Retained distributions on accumulation shares	2.06	1.17	-
Closing net asset value per share (c)	115.57	103.92	98.66
* after direct transaction costs of:	0.30	0.18	0.08
<b>Performance</b>			
Return after charges (%)	11.21%	5.33%	(1.34)%
<b>Other information</b>			
Closing net asset value (\$'000)	9,123	8,203	7,790
Closing number of shares	7,893,650	7,893,650	7,895,600
Operating charges	1.23%	1.32%	1.63%
Direct transaction costs	0.27%	0.17%	0.08%
<b>Prices</b>			
Highest share price	116.42	104.39	100.09
Lowest share price	103.11	90.60	98.23

Share class B Hedged Accumulation (USD share class) was launched on 23 June 2015.

# First State Diversified Growth Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class Z Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	105.12	98.76	100.00
Return before operating charges*	12.36	6.94	(1.14)
Operating charges	(0.57)	(0.58)	(0.10)
Return after operating charges*	11.79	6.36	(1.24)
Distributions	(2.72)	(1.76)	-
Retained distributions on accumulation shares	2.72	1.76	-
Closing net asset value per share (p)	116.91	105.12	98.76
* after direct transaction costs of:	0.30	0.17	0.08
<b>Performance</b>			
Return after charges (%)	11.22%	6.44%	(1.24)%
<b>Other information</b>			
Closing net asset value (£'000)	117	105	101
Closing number of shares	100,050	100,050	102,000
Operating charges	0.51%	0.60%	0.92%
Direct transaction costs	0.27%	0.17%	0.08%
<b>Prices</b>			
Highest share price	117.96	105.54	100.15
Lowest share price	104.28	91.25	98.32

Share class Z Accumulation was launched on 23 June 2015.

# First State Diversified Growth Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		1,893		2,531
Revenue	3	618		371	
Expenses	4	(191)		(156)	
Interest payable and similar charges		(17)		(1)	
<b>Net revenue before taxation</b>		<b>410</b>		<b>214</b>	
Taxation	5	(50)		(15)	
<b>Net revenue after taxation</b>			<b>360</b>		<b>199</b>
<b>Total return before distributions</b>			<b>2,253</b>		<b>2,730</b>
Distributions	6		(360)		(199)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,893</b>		<b>2,531</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>17,553</b>		<b>14,829</b>
Amounts receivable on issue of shares	454		-	
Less: Amounts payable on cancellation of shares	(5)		(6)	
		449		(6)
Change in net assets attributable to shareholders from investment activities		1,893		2,531
Retained distribution on accumulation shares		362		199
<b>Closing net assets attributable to shareholders</b>		<b>20,257</b>		<b>17,553</b>

Notes to the Financial Statements are on pages 423 to 431.

# First State Diversified Growth Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>17,675</u>	<u>16,456</u>
<b>Current assets</b>			
Debtors	8	33	64
Cash and bank balances	9	<u>3,352</u>	<u>1,870</u>
<b>Total assets</b>		<u><b>21,060</b></u>	<u><b>18,390</b></u>
<b>Liabilities</b>			
Investment liabilities		(442)	(331)
<b>Creditors</b>			
Bank overdrafts		(281)	(464)
Other creditors	10	<u>(80)</u>	<u>(42)</u>
<b>Total liabilities</b>		<u><b>(803)</b></u>	<u><b>(837)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>20,257</b></u>	<u><b>17,553</b></u>

*Notes to the Financial Statements are on pages 423 to 431.*

# First State Diversified Growth Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

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

### 2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	867	1,612
Derivative contracts	640	(109)
Forward foreign exchange currency contracts	660	958
Currency (losses)/gains	(274)	70
Net capital gains	<u>1,893</u>	<u>2,531</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	16	18
Overseas taxable revenue	1	2
Overseas non-taxable revenue	99	87
Property revenue from overseas REITs	2	2
UK scrip dividends	69	65
Overseas scrip dividends	21	17
Distributions from regulated collective investment schemes:		
Offshore distribution taxable	134	64
Offshore distribution non-taxable	9	-
Interest on amounts held at futures clearing houses and brokers	6	-
Interest from bank deposits	5	1
Interest from government and fixed-interest securities	235	118
Currency hedge gains	9	8
Initial Charge Revenue	12	(11)
Total revenue	<u>618</u>	<u>371</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	125	98
ACD's periodic charge rebate	(2)	-
	<u>123</u>	<u>98</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	3	4
<b>Other expenses:</b>		
Audit fee	8	4
Safe custody charges	1	-
Other expenses	56	50
	<u>65</u>	<u>54</u>
Total expenses	<u>191</u>	<u>156</u>

as at 31 July 2017

**5. Taxation**

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Corporation tax	26	-
Irrecoverable overseas tax	24	15
Total current tax	<u>50</u>	<u>15</u>

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

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:

Net revenue before taxation	410	214
Corporation tax of 20% (2016: 20%)	82	43
<b>Effects of:</b>		
UK dividends*	(3)	(4)
Non-taxable scrip dividends*	(18)	(16)
Overseas non-taxable revenue*	(22)	(17)
Movement in excess management expenses	-	(4)
Irrecoverable overseas tax	24	14
Double taxation relief	(5)	(1)
RPI allowance on indexed securities	(8)	-
Total tax charge for year (note 5a)	<u>50</u>	<u>15</u>

*OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.*

*\* As an authorised OEIC, these items are not subject to corporation tax.*

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the balance sheet date in the current or prior year.

**6. Distributions**

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	165	41
Final distribution	197	158
	<u>362</u>	<u>199</u>
Add: revenue deducted on cancellation of shares	-	-
Deduct: revenue received on issue of shares	(2)	-
Net distributions for the year	<u>360</u>	<u>199</u>

*Details of the distributions per share are set out in the Distribution Tables on pages 432 to 433.*

**7. Movement between net revenue and net distributions**

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	360	199
Net distributions for the year	<u>360</u>	<u>199</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Accrued revenue	30	63
Overseas tax recoverable	3	1
Total debtors	<u>33</u>	<u>64</u>

## 9. Cash and bank balances

	31 July 2017	31 July 2016
	£'000	£'000
Cash and bank balances	1,848	1,076
Amounts held at futures clearing houses and brokers	1,504	794
Total cash and bank balances	<u>3,352</u>	<u>1,870</u>

## 10. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	-	2
Accrued expenses	54	40
Corporation tax payable	26	-
Total creditors	<u>80</u>	<u>42</u>

## 11. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	1,959	2,379	4,796	1,108
Bonds	13,846	5,900	10,206	9,016
Collective investment schemes	967	3,329	1,685	1,228
Futures	-	-	-	-
Options	325	318	101	190
Swaps	57,422	24,418	57,517	24,365
Trades in the year before transaction costs	<u>74,519</u>	<u>36,344</u>	<u>74,305</u>	<u>35,907</u>
<b>Commissions</b>				
Equities	1	1	(2)	-
Bonds	-	-	-	-
Collective investment schemes	-	1	-	-
Futures	13	5	(14)	(5)
Options	1	-	-	-
Swaps	-	-	-	-
Total commissions	<u>15</u>	<u>7</u>	<u>(16)</u>	<u>(5)</u>
<b>Taxes</b>				
Equities	3	7	-	-
Bonds	-	-	(1)	-
Collective investment schemes	-	-	-	-
Futures	8	3	(9)	(3)
Options	-	-	-	-
Swaps	-	-	-	-
Total taxes	<u>11</u>	<u>10</u>	<u>(10)</u>	<u>(3)</u>
Total costs	<u>26</u>	<u>17</u>	<u>(26)</u>	<u>(8)</u>
<b>Total net trades in the year after transaction costs</b>	<u>74,545</u>	<u>36,361</u>	<u>74,279</u>	<u>35,899</u>

as at 31 July 2017

Total transaction cost expressed as a percentage of asset type cost:

	Purchases		Sales	
	31 July 2017 %	31 July 2016 %	31 July 2017 %	31 July 2016 %
<b>Commissions</b>				
Equities	0.05	0.04	0.04	-
Collective investment schemes	-	0.03	-	-
Options	0.31	-	-	-
<b>Taxes</b>				
Equities	0.15	0.29	-	-
Bonds	-	-	0.01	-

Total transaction cost expressed as a percentage of average net asset value:

	31 July 2017 %	31 July 2016 %
Commissions	0.16	0.08
Taxes	0.11	0.09
Total costs	<u>0.27</u>	<u>0.17</u>

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.08% (31/07/2016: 0.09%).

## 12. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

## 13. Derivatives and other financial instruments

### (a) General

In pursuing its investment objectives, the Fund holds fixed-interest securities.

The Fund invests significantly in fixed-interest securities. Certain fixed-interest securities are liable to default risk whereby the nominal capital is not or is unlikely to be returned to investors. The value of fixed-interest stocks is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual fixed-interest stock or be caused by a general market factor (such as government policy or the health of the underlying economy), which can affect the entire portfolio.

Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In addition, the management of the Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding.

Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund enters into transactions in financial instruments that expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its obligations. The Fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

as at 31 July 2017

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

#### Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£1,709,542) (31/07/16: £1,591,966).

#### (b) Interest-rate risk

The Fund does not significantly invest in either fixed or floating-rate securities, and interest rate risk exposure is predominantly restricted to interest receivable.

As at 31 July 2017, 61.33% (31/07/2016: 36.85% ) of the Fund's assets were interest-bearing.

The interest rate risk profile of the Company's financial assets and liabilities at 31 July 2017 was:

Currency	Floating-rate financial assets £'000	Fixed-rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31 July 2017</b>				
Sterling	2,253	4,328	(4,374)	2,207
Australian dollar	(52)	1,104	(2,091)	(1,039)
Brazilian real	-	218	844	1,062
Canadian dollar	(13)	-	2,048	2,035
Chilean peso	-	-	(796)	(796)
Czech Republic koruna	-	-	1,201	1,201
Danish krone	-	-	(480)	(480)
Euro	443	-	8,576	9,019
Hong Kong dollar	158	-	69	227
Hungarian forint	-	156	(965)	(809)
Indian rupee	-	-	(1,335)	(1,335)
Indonesian rupiah	-	212	(862)	(650)
Japanese yen	(50)	-	334	284
Malaysian ringgit	55	198	2	255
Mexican peso	34	223	538	795
New Zealand dollar	-	-	590	590
Norwegian krone	(72)	-	(1,018)	(1,090)
Polish zloty	-	231	706	937
Russian ruble	-	129	358	487
Singapore dollar	(37)	-	791	754
South African rand	(56)	208	(354)	(202)
South Korean won	43	-	(2)	41
Swedish krona	66	-	245	311
Swiss franc	21	-	(285)	(264)
Taiwanese dollar	-	-	309	309
Thai baht	140	160	222	522
Turkish lira	69	200	(432)	(163)
US dollar	69	1,737	4,243	6,049
<b>Total</b>	<b>3,071</b>	<b>9,104</b>	<b>8,082</b>	<b>20,257</b>

as at 31 July 2017

Currency	Floating-rate financial assets £'000	Fixed-rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31 July 2016</b>				
Sterling	1,536	3,715	7,215	12,466
Australian dollar	21	-	94	115
Brazilian real	-	348	572	920
Canadian dollar	(19)	-	245	226
Chilean peso	-	-	529	529
Czech Republic koruna	-	-	(59)	(59)
Danish krone	-	-	(407)	(407)
Euro	2	-	699	701
Hong Kong dollar	63	-	71	134
Hungarian forint	-	-	(573)	(573)
Indian rupee	-	-	(61)	(61)
Indonesian rupiah	-	285	(593)	(308)
Israeli new shekel	-	-	8	8
Japanese yen	(139)	-	307	168
Malaysian ringgit	28	270	276	574
Mexican peso	10	224	268	502
New Zealand dollar	-	-	(83)	(83)
Norwegian krone	(73)	-	52	(21)
Polish zloty	-	-	1,140	1,140
Russian ruble	-	142	(75)	67
Singapore dollar	(49)	-	(508)	(557)
South African rand	(20)	239	465	684
South Korean won	42	-	(785)	(743)
Swedish krona	(15)	-	(423)	(438)
Swiss franc	(72)	-	(151)	(223)
Taiwanese dollar	-	-	(333)	(333)
Thai baht	106	-	320	426
Turkish lira	47	237	831	1,115
US dollar	(62)	-	1,646	1,584
<b>Total</b>	<b>1,406</b>	<b>5,460</b>	<b>10,687</b>	<b>17,553</b>

*(c) Analysis of the Fund's currency exposure*

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

as at 31 July 2017

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	(1,039)	115
Brazilian real	1,062	920
Canadian dollar	2,035	226
Chilean peso	(796)	529
Czech Republic koruna	1,201	(59)
Danish krone	(480)	(407)
Euro	9,019	701
Hong Kong dollar	227	134
Hungarian forint	(809)	(573)
Indian rupee	(1,335)	(61)
Indonesian rupiah	(650)	(308)
Israeli new shekel	-	8
Japanese yen	284	168
Malaysian ringgit	255	574
Mexican peso	795	502
New Zealand dollar	590	(83)
Norwegian krone	(1,090)	(21)
Polish zloty	937	1,140
Russian ruble	487	67
Singapore dollar	754	(557)
South African rand	(202)	684
South Korean won	41	(743)
Swedish krona	311	(438)
Swiss franc	(264)	(223)
Taiwanese dollar	309	(333)
Thai baht	522	426
Turkish lira	(163)	1,115
US dollar	6,049	1,584
Total	<u>18,050</u>	<u>5,087</u>

*(d) Credit risk*

Credit risk occurs where there is a risk associated with the uncertainty of a counterparty's ability to meet its obligations. This risk is managed by reviewing the counterparty's credit rating, at the time of purchase and on an ongoing basis, and ensuring that the portfolio is sufficiently diversified. The impact of movements in credit rating and spread, and their effect on market prices, is considered to be part of market-price risk, which is discussed above.

The Fund's investments and cash are held on its behalf by State Street Bank and Trust Company (acting as agent), the custodian to the Trust, and its appointed sub custodians. Bankruptcy or insolvency of the custodian or its sub custodians may cause the Fund's rights with respect to securities to be delayed. This risk is managed through ongoing monitoring of the custodian and periodic reviews of its procedures for selecting and monitoring sub custodians, together with ad hoc reviews of custodian and sub custodian credit ratings.

Certain transactions in securities that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the fund has fulfilled its responsibilities.

The Investment Adviser selects acceptable counterparties through which investments are bought and sold. The Manager has responsibility for monitoring the process by which these counterparties are selected to minimise risk.

Where the Investment Managers make an investment in a bond with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question. The risk is managed by reviewing the credit ratings of those bonds at the time of purchase and on an ongoing basis.

as at 31 July 2017

**Summary of Investment Assets by Credit Ratings****Rating Block**

	31 July 2017	31 July 2016
	£'000	£'000
Investment-grade bonds	6,386	5,112
Non-investment grade bonds	218	348
Unrated bonds	2,500	
<b>Total bonds</b>	<u>9,104</u>	<u>5,460</u>
<b>Other</b>	<u>11,153</u>	<u>12,093</u>
<b>Net assets</b>	<u><u>20,257</u></u>	<u><u>17,553</u></u>

The credit ratings used in the above table have been supplied by Standard & Poor's, Moody's or Fitch Ratings.

*(e) Derivative risk*

The Manager may enter into derivatives transactions for investment purposes and for efficient portfolio management purposes. A relatively small market movement may have a potentially larger impact on derivatives than on the underlying assets, and the use of derivatives can therefore increase the volatility of the value of units in the Scheme. However, it is not anticipated that the use of derivatives will have a significant effect on the risk profile of the Scheme.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique that allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets.

Due to the level of investment in derivatives, the First State Diversified Growth Fund is considered to be a sophisticated fund; for this reason, further numerical analysis has been provided in the form of a 'Value at Risk' (VaR) analysis, shown below.

It is important to note that VaR is calculated on an ex ante basis. This means that the calculations are based on the current portfolio holdings and not by reference to the volatility of the historical portfolio returns.

**Absolute VaR Utilisation****01 August 2016 to 31 July 2017**

Low	14.59%
High	37.15%
Average	29.56%

**Effective Portfolio Management****Financial derivative instruments exposure as at 31 July 2017****Value (£)**

Exchange traded derivatives	36,624,075
Forward foreign currency contracts	24,338,572
<b>Total financial derivative instruments exposure</b>	<u><u>60,962,647</u></u>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Efficient portfolio management techniques as at 31 July 2017****Value (£)**

Underlying exposure obtained through efficient portfolio management techniques	<u><u>60,962,647</u></u>
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**Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2017****Value (£)**

BNP Paribas	704
HSBC Bank	7,268
JP Morgan Securities	13,958
Standard Chartered	45,317
UBS London	(3,632)
State Street Bank and Trust Company	(113,036)

The counterparty exposure represents the unrealised profit or loss on the derivative contract. It is therefore a different amount to the value of the sum of the notionals.

as at 31 July 2017

**14. Related parties**

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, which are summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £11,106 (31/07/16: £8,960) due at the year end.

As at 31 July 2017, Colonial First State Managed Infrastructure Limited, a related party of the ACD, owned 97.80% (31/07/16: 100.00%) of the net asset value of the Fund.

As at the 31 July 2017, the Directors of the ACD had a combined holding in share class B Accumulation of 0.25%.

**15. Share classes**

The Fund has four share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share class B Accumulation (Institutional):	0.65
Share class B Hedged Accumulation (EUR share class) (Institutional):	0.65
Share class B Hedged Accumulation (USD share class) (Institutional):	0.65
Share class Z Accumulation (Institutional):	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 417 to 420.

The distributions per share class are given in the Distribution Tables on pages 432 to 433.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class B Accumulation (Institutional)	4,966,750	402,295	(4,688)	-	5,364,357
Share class B Hedged Accumulation (EUR share class) (Institutional)	6,933,350	-	-	-	6,933,350
Share class B Hedged Accumulation (USD share class) (Institutional)	7,893,650	-	-	-	7,893,650
Share class Z Accumulation (Institutional)	100,050	-	-	-	100,050

**16. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	14,243	(265)	14,331	(81)
Level 2	3,432	(177)	2,125	(250)
Level 3	-	-	-	-
Total fair value	17,675	(442)	16,456	(331)

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

# First State Diversified Growth Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	0.9781	-	0.9781	0.2793
Final	1.1370	-	1.1370	0.9668
Group 2	(p)	(p)	(p)	(p)
Interim	0.5099	0.4682	0.9781	0.2793
Final	0.6152	0.5218	1.1370	0.9668

### Share class B Hedged Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.9364	-	0.9364	0.2391
Final	1.0799	-	1.0799	0.9160
Group 2	(c)	(c)	(c)	(c)
Interim	0.9364	-	0.9364	0.2391
Final	1.0799	-	1.0799	0.9160

### Share class B Hedged Accumulation (USD share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	0.9367	-	0.9367	0.2495
Final	1.1189	-	1.1189	0.9187
Group 2	(c)	(c)	(c)	(c)
Interim	0.9367	-	0.9367	0.2495
Final	1.1189	-	1.1189	0.9187

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class Z Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.2765	-	1.2765	0.5755
Final	1.4476	-	1.4476	1.1796
Group 2	(p)	(p)	(p)	(p)
Interim	1.2765	-	1.2765	0.5755
Final	1.4476	-	1.4476	1.1796

## Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 52.55% of the dividend is received as franked investment income.

Interim - 43.10% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 4.35% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 79.19% of the dividend is received as franked investment income.

Final - 15.97% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 4.84% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

# First State Asian Property Securities Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve a total investment return consistent with income and long-term capital growth.

The Fund primarily invests in a broad selection of Asian securities issued by real estate investment trusts or companies that own, develop or manage real property. The Fund may also invest in Australian and New Zealand securities of a similar type.

### Risks and reward profile

	← Lower Risk					Higher Risk →	
	Potentially Lower Rewards					Potentially Higher Rewards	
Share class A Accumulation	1	2	3	4	5	6	7
Share class A Income	1	2	3	4	5	6	7
Share class B Accumulation	1	2	3	4	5	6	7
Share class B Income	1	2	3	4	5	6	7
Share class A Accumulation (EUR share class)	1	2	3	4	5	6	7
Share class A Income (EUR share class)	1	2	3	4	5	6	7

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 6 due to its past performance and the nature of its investments. Shares with a rating of 6 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

The Fund might also experience the following risks:

**Emerging market risk:** emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.

**Property securities risk:** the Fund invests in the shares of companies that are involved in property (like real estate investment trusts) rather than property itself. The value of these investments may fluctuate more than actual property.

**Single-sector risk:** investing in a single sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps spread risk.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

### Performance

The Fund rose by 4.1% in sterling terms over the year and has provided cumulative returns of 32.2% and 53.1% over three and five years respectively to 31 July 2017.

During this year, Sun Hung Kai Properties (Hong Kong: Diversified) and Hongkong Land Holdings (Singapore: Diversified) gained on their exposure to the robust Hong Kong Central office markets. New supply remains constrained, cap rate stays firm supporting stable rental and capital value growth. Sumitomo Realty & Development (Japan: Diversified) rallied on solid earnings numbers on the back of improving office portfolio's occupancy and better profit margin from the condominium segment.

Westfield Corp (Australia: Retail) underperformed on concerns that the US retail market – a key area of operations – faces a challenging operating environment. Japan Rental Housing Investments REIT (Japan: Diversified) and Kenedix Retail REIT (Japan: Retail) also lagged.

# First State Asian Property Securities Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Portfolio changes

A position was established in City Developments (Singapore: Diversified), a diversified real estate company with a global presence, which appears attractive on a relative valuation basis. Henderson Land (Hong Kong: Diversified) was also introduced to the portfolio; the company is well diversified with its prime investment portfolio in Hong Kong and China. It also owns a substantial land bank, enabling it to benefit from Hong Kong Government policies aimed at increasing housing supply.

Holdings in GPT Group (Australia: Diversified) were sold following outperformance, driven by investor demand for exposure to its high-quality Sydney and Melbourne-focussed property portfolio. Japan Logistics Fund (Japan: Industrial) was also divested, as alternative investment opportunities were identified.

### Outlook

The overall strategy is to maintain a balance between high-quality defensive names and stocks with strong growth potential. Around 40% of the Fund's assets are invested in Japan. Its holdings consist of large property developers with exposure to Tokyo's healthy office market and smaller J-REITs with appealing investment cases.

The Fund has maintained a selective approach towards the Hong Kong and China property sector. We expect that government policies aimed at boosting land supply will help to maintain house price stability. Our holdings in this region consist primarily of stocks with healthy balance sheets, investment-grade property portfolios, stable earnings growth outlook and attractive valuations. Almost 30% of the Fund's assets are currently invested in Hong Kong.

### Cumulative performance as at 31 July 2017

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	1.9	2.8	4.1	32.2	53.1	37.2	78.3
Benchmark return %	1.1	1.9	2.2	31.3	60.6	79.1	110.4
Sector return %	1.5	3.5	5.8	22.5	46.3	31.2	46.5
Quartile ranking	1	3	3	2	2	2	2

### Discrete performance as at 31 July 2017

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	4.1	21.1	4.8	(2.6)	18.9

Benchmark: FTSE EPRA/NAREIT Developed Asia Index. (Note: The benchmark changed from the UBS Global Asia Index to the above on 01/04/2015).

Sector: IA Property.

Past performance should not be used as a guide to future performance, which is not guaranteed.

### Ten largest holdings

Stock name	31 July 2017		31 July 2016	
	% of Fund	Stock name	% of Fund	Stock name
Sun Hung Kai Properties	8.94	Sun Hung Kai Properties	8.72	
Mitsui Fudosan	8.52	Mitsui Fudosan	7.33	
Kenedix Office Investment REIT	5.01	Westfield REIT	6.68	
Westfield REIT	5.00	Sumitomo Realty & Development	5.86	
Sumitomo Realty & Development	4.79	Scentre Group REIT	5.29	
Cheung Kong Property Holdings	4.70	Japan Rental Housing Investments REIT	4.88	
Mitsubishi Estate	4.59	Hongkong Land Holdings	4.58	
Vicinity Centres REIT	4.30	New South Resources	4.31	
Japan Rental Housing Investments REIT	4.19	Kenedix Retail REIT	4.01	
National Storage REIT	4.12	Mitsubishi Estate	3.89	

### Types of shares

Income and Accumulation.

# First State Asian Property Securities Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>JAPAN (43.10%*)</b>	<b>4,318</b>	<b>39.39</b>
34 Daiwa Office Investment REIT**	127	1.16
274 GLP J-REIT**	227	2.07
90 Ichigo Hotel REIT Investment REIT**	69	0.63
812 Japan Rental Housing Investments REIT**	459	4.19
128 Kenedix Office Investment REIT**	549	5.01
130 Kenedix Residential Investment REIT**	248	2.26
190 Kenedix Retail REIT**	316	2.88
36,401 Mitsubishi Estate	503	4.59
53,508 Mitsui Fudosan	934	8.52
114 Mitsui Fudosan Logistics Park REIT**	251	2.29
14,200 NTT Urban Development	110	1.00
22,812 Sumitomo Realty & Development	525	4.79
<b>AUSTRALIA (23.63%*)</b>	<b>2,337</b>	<b>21.32</b>
35,854 Charter Hall Group REIT**	113	1.03
251,986 Mirvac Group REIT**	332	3.03
499,392 National Storage REIT**	452	4.12
167,589 Scentre Group REIT**	421	3.84
282,931 Vicinity Centres REIT**	471	4.30
117,522 Westfield REIT**	548	5.00
<b>CHINA (1.54%*)</b>	<b>186</b>	<b>1.70</b>
76,000 China Resources Land	186	1.70
<b>HONG KONG (24.08%*)</b>	<b>3,287</b>	<b>29.99</b>
83,500 Cheung Kong Property Holdings	515	4.70
113,000 Hang Lung Properties	214	1.95
63,800 Henderson Land Development	281	2.56
56,000 Hongkong Land Holdings	320	2.92
38,038 Link REIT**	235	2.15
83,121 Sun Hung Kai Properties	980	8.94
112,000 Swire Properties	295	2.69
69,000 Wharf Holdings	447	4.08
<b>SINGAPORE (6.18%*)</b>	<b>749</b>	<b>6.84</b>
57,000 City Developments	359	3.28
183,500 Frasers Logistics & Industrial Trust REIT**	112	1.02
310,400 Mapletree Commercial Trust REIT**	278	2.54
<b>Portfolio of investments</b>	<b>10,877</b>	<b>99.24</b>
<b>Net other assets</b>	<b>83</b>	<b>0.76</b>
<b>Total net assets</b>	<b>10,960</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

\* Comparative figures shown in brackets relate to 31 July 2016.

\*\* Real estate investment trust (REIT).

# First State Asian Property Securities Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	171.12	141.30	134.73
Return before operating charges*	10.57	32.68	9.43
Operating charges	(3.55)	(2.86)	(2.86)
Return after operating charges*	7.02	29.82	6.57
Distributions	(4.93)	(4.07)	3.09
Retained distributions on accumulation shares	4.93	4.07	(3.09)
Closing net asset value per share (p)	178.14	171.12	141.30
* after direct transaction costs of:	0.33	0.26	0.32
<b>Performance</b>			
Return after charges (%)	4.10%	21.10%	4.88%
<b>Other information</b>			
Closing net asset value (£'000)	2,388	2,955	4,121
Closing number of shares	1,340,358	1,726,897	2,916,758
Operating charges	2.02%	2.02%	2.02%
Direct transaction costs	0.19%	0.18%	0.22%
<b>Prices</b>			
Highest share price	184.93	173.19	159.90
Lowest share price	165.02	126.70	126.95

# First State Asian Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	131.35	111.66	108.75
Return before operating charges*	8.07	25.41	7.62
Operating charges	(2.78)	(2.52)	(2.22)
Return after operating charges*	5.29	22.89	5.40
Distributions	(3.76)	(3.20)	(2.49)
Closing net asset value per share (p)	132.88	131.35	111.66
* after direct transaction costs of:	0.25	0.20	0.26
<b>Performance</b>			
Return after charges (%)	4.03%	20.50%	4.97%
<b>Other information</b>			
Closing net asset value (£'000)	180	214	634
Closing number of shares	135,666	163,112	567,530
Operating charges	2.08%	2.29%	1.95%
Direct transaction costs	0.19%	0.18%	0.22%
<b>Prices</b>			
Highest share price	140.09	134.68	127.84
Lowest share price	126.56	99.93	102.46

# First State Asian Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	187.09	153.95	145.59
Return before operating charges*	11.59	35.73	10.21
Operating charges	(3.06)	(2.59)	(1.85)
Return after operating charges*	8.53	33.14	8.36
Distributions	(5.41)	(4.44)	(3.39)
Retained distributions on accumulation shares	5.41	4.44	3.39
Closing net asset value per share (p)	195.62	187.09	153.95
* after direct transaction costs of:	0.37	0.28	0.35
<b>Performance</b>			
Return after charges (%)	4.56%	21.53%	5.74%
<b>Other information</b>			
Closing net asset value (£'000)	7,332	6,601	4,351
Closing number of shares	3,748,157	3,528,011	2,826,067
Operating charges	1.59%	1.66%	1.19%
Direct transaction costs	0.19%	0.18%	0.22%
<b>Prices</b>			
Highest share price	202.86	189.35	173.79
Lowest share price	180.56	138.13	137.39

# First State Asian Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	141.18	119.09	115.12
Return before operating charges*	8.68	27.22	8.07
Operating charges	(1.89)	(1.72)	(1.45)
Return after operating charges*	6.79	25.50	6.62
Distributions	(4.06)	(3.41)	(2.65)
Closing net asset value per share (p)	143.91	141.18	119.09
* after direct transaction costs of:	0.27	0.22	0.27
<b>Performance</b>			
Return after charges (%)	4.81%	21.41%	5.75%
<b>Other information</b>			
Closing net asset value (£'000)	1,008	865	575
Closing number of shares	700,280	612,819	482,602
Operating charges	1.31%	1.43%	1.19%
Direct transaction costs	0.19%	0.18%	0.22%
<b>Prices</b>			
Highest share price	151.47	144.74	136.04
Lowest share price	136.39	106.85	108.63

# First State Asian Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	136.97	135.56	114.83
Return before operating charges*	0.35	4.21	23.21
Operating charges	(2.88)	(2.80)	(2.48)
Return after operating charges*	(2.53)	1.41	20.73
Distributions	(3.73)	(3.38)	(2.84)
Retained distributions on accumulation shares	3.73	3.38	2.84
Closing net asset value per share (c)	134.44	136.97	135.56
* after direct transaction costs of:	0.26	0.23	0.29
<b>Performance</b>			
Return after charges (%)	(1.85)%	1.04%	18.05%
<b>Other information</b>			
Closing net asset value (€'000)	28	46	50
Closing number of shares	20,500	33,751	36,648
Operating charges	2.12%	2.20%	1.95%
Direct transaction costs	0.19%	0.18%	0.22%
<b>Prices</b>			
Highest share price	144.96	139.00	149.40
Lowest share price	130.41	111.82	107.82

# First State Asian Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	108.14	109.96	95.23
Return before operating charges*	0.25	3.20	19.19
Operating charges	(2.23)	(2.26)	(2.12)
Return after operating charges*	(1.98)	0.94	17.07
Distributions	(2.97)	(2.76)	(2.34)
Closing net asset value per share (c)	103.19	108.14	109.96
* after direct transaction costs of:	0.20	0.19	0.24
<b>Performance</b>			
Return after charges (%)	(1.83)%	0.85%	17.93%
<b>Other information</b>			
Closing net asset value (€'000)	31	39	27
Closing number of shares	30,250	35,717	24,009
Operating charges	2.07%	2.20%	1.97%
Direct transaction costs	0.19%	0.18%	0.22%
<b>Prices</b>			
Highest share price	112.97	111.95	122.56
Lowest share price	102.58	89.42	89.43

# First State Asian Property Securities Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		305		1,732
Revenue	3	361		314	
Expenses	4	(182)		(164)	
Interest payable and similar charges		-		-	
<b>Net revenue before taxation</b>		<b>179</b>		<b>150</b>	
Taxation	5	(25)		(21)	
<b>Net revenue after taxation</b>			<b>154</b>		<b>129</b>
<b>Total return before distributions</b>			<b>459</b>		<b>1,861</b>
Distributions	6		(307)		(268)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>152</b>		<b>1,593</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>10,707</b>		<b>9,734</b>
Amounts receivable on issue of shares	2,267		2,131	
Less: Amounts payable on cancellation of shares	(2,439)		(2,984)	
		(172)		(853)
Dilution adjustment		1		3
Change in net assets attributable to shareholders from investment activities		152		1,593
Retained distribution on accumulation shares		272		230
<b>Closing net assets attributable to shareholders</b>		<b>10,960</b>		<b>10,707</b>

Notes to the Financial Statements are on pages 445 to 449.

# First State Asian Property Securities Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>10,877</u>	<u>10,550</u>
<b>Current assets</b>			
Debtors	8	323	65
Cash and bank balances		<u>113</u>	<u>241</u>
<b>Total assets</b>		<u><b>11,313</b></u>	<u><b>10,856</b></u>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(19)	(14)
Other creditors	9	<u>(334)</u>	<u>(135)</u>
<b>Total liabilities</b>		<u><b>(353)</b></u>	<u><b>(149)</b></u>
<b>Net assets attributable to shareholders</b>		<u><b>10,960</b></u>	<u><b>10,707</b></u>

*Notes to the Financial Statements are on pages 445 to 449.*

Notes to the Financial Statements

as at 31 July 2017

1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

2. Net capital gains

The net capital gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	298	1,717
Currency gains	7	15
Net capital gains	<u>305</u>	<u>1,732</u>

3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Overseas taxable revenue	1	-
Overseas non-taxable revenue	122	98
Property revenue from overseas REITs	238	216
Total revenue	<u>361</u>	<u>314</u>

4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	105	95
ACD's periodic charge rebate	(1)	(8)
	<u>104</u>	<u>87</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>2</u>	<u>3</u>
<b>Other expenses:</b>		
Audit fee	10	7
Registrar fees	19	11
Safe custody charges	1	1
Other expenses	46	55
	<u>76</u>	<u>74</u>
Total expenses	<u>182</u>	<u>164</u>

as at 31 July 2017

**5. Taxation**

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Irrecoverable overseas tax	25	21
<b>(b) Factors affecting current tax charge for the year:</b>		
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:		
Net revenue before taxation	179	150
Corporation tax of 20% (2016: 20%)	36	30
<b>Effects of:</b>		
Overseas non-taxable revenue*	(24)	(20)
Movement in excess management expenses	(8)	(7)
Irrecoverable overseas tax	25	21
Overseas tax expensed	(4)	(3)
Total tax charge for year (note 5a)	25	21

*OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.*

*\* As an authorised OEIC, these items are not subject to corporation tax.*

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the balance sheet date in the current or prior year.

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £30,555 (31/07/16: £38,653); this relates to surplus management expenses. No deferred tax asset was recognised in the current year and prior year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	140	121
Final distribution	166	138
	306	259
Add: revenue deducted on cancellation of shares	21	25
Deduct: revenue received on issue of shares	(20)	(16)
Net distributions for the year	307	268

*Details of the distributions per share are set out in the Distribution Tables on pages 450 to 451.*

**7. Movement between net revenue and net distributions**

	31 July 2017 £'000	31 July 2016 £'000
Net revenue after taxation	154	129
Expenses charged to capital	182	164
Tax relief on expenses charged to capital	(29)	(25)
Net distributions for the year	307	268

Notes to the Financial Statements

(continued)

as at 31 July 2017

8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	244	-
Amounts receivable for issue of shares	41	31
Accrued revenue	38	34
<b>Total debtors</b>	<b>323</b>	<b>65</b>

9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	245	26
Amounts payable for cancellation of shares	30	71
Accrued expenses	59	38
<b>Total creditors</b>	<b>334</b>	<b>135</b>

10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	5,918	3,776	5,909	4,567
Trades in the year before transaction costs	5,918	3,776	5,909	4,567
<b>Commissions</b>				
Equities	9	6	(9)	(8)
<b>Taxes</b>				
Equities	2	1	(1)	(1)
<b>Total costs</b>	<b>11</b>	<b>7</b>	<b>(10)</b>	<b>(9)</b>
<b>Total net trades in the year after transaction costs</b>	<b>5,929</b>	<b>3,783</b>	<b>5,899</b>	<b>4,558</b>

Total transaction cost expressed as a percentage of asset type cost:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	%	%	%	%
<b>Commissions</b>				
Equities	0.15	0.16	0.15	0.18
<b>Taxes</b>				
Equities	0.03	0.03	0.02	0.02

Total transaction cost expressed as a percentage of average net asset value:

	31 July 2017	31 July 2016
	%	%
Commissions	0.16	0.15
Taxes	0.03	0.02
<b>Total costs</b>	<b>0.19</b>	<b>0.17</b>

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.22% (31/07/2016: 0.31%).

11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

as at 31 July 2017

**12. Derivatives and other financial instruments***(a) General*

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

**Fair value of financial assets and financial liabilities**

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£1,087,681) (31/07/16: £1,054,968).

*(b) Interest-rate risk*

The Fund does not invest in either fixed or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2017, 1.03% (31/07/2016: 2.25%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

*(c) Analysis of the Fund's currency exposure*

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets 31 July 2017		Net foreign currency assets 31 July 2016	
	Total £'000		Total £'000	
Australian dollar	2,113		2,557	
Euro	4		7	
Hong Kong dollar	3,177		2,262	
Japanese yen	4,352		4,617	
Singapore dollar	1,014		687	
US dollar	321		490	
	<u>10,981</u>		<u>10,620</u>	

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 5.01% (£549,011) (31/07/16: 4.96% (£530,994)).

as at 31 July 2017

### 13. Related parties

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, which are summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £8,632 (31/07/16: £8,164) due at the year end.

#### Material Shareholders

Nucleus Trustee Company Limited and NFS (Nominees) Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 12.2% and 11.4% of the Fund's shares in issue respectively.

### 14. Share classes

The Fund has six share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share class A Accumulation (Retail):	1.50
Share class A Income (Retail):	1.50
Share class B Accumulation (Institutional):	0.75
Share class B Income (Institutional):	0.75
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class A Income (EUR share class) (Retail):	1.50

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 437 to 442.

The distributions per share class are given in the Distribution Tables on pages 450 to 451.

All share classes have the same rights on winding up.

#### Reconciliation of the shares movement in the year:

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	1,726,897	190,395	(551,203)	(25,731)	1,340,358
Share class A Income (Retail)	163,112	3,623	(29,243)	(1,826)	135,666
Share class B Accumulation (Institutional)	3,528,011	866,608	(669,984)	23,522	3,748,157
Share class B Income (Institutional)	612,819	175,460	(89,690)	1,691	700,280
Share class A Accumulation (EUR share class) (Retail)	33,751	16,556	(29,807)	-	20,500
Share class A Income (EUR share class) (Retail)	35,717	1,437	(6,904)	-	30,250

### 15. Fair value

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	10,877	-	10,550	-
Level 2	-	-	-	-
Level 3	-	-	-	-
Total fair value	10,877	-	10,550	-

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

# First State Asian Property Securities Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.2389	-	2.2389	1.8670
Final	2.6917	-	2.6917	2.2076
Group 2	(p)	(p)	(p)	(p)
Interim	0.8171	1.4218	2.2389	1.8670
Final	1.1355	1.5562	2.6917	2.2076

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.7252	-	1.7252	1.4765
Final	2.0364	-	2.0364	1.7194
Group 2	(p)	(p)	(p)	(p)
Interim	0.7928	0.9324	1.7252	1.4765
Final	1.0873	0.9491	2.0364	1.7194

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.4605	-	2.4605	2.0368
Final	2.9457	-	2.9457	2.4064
Group 2	(p)	(p)	(p)	(p)
Interim	0.6911	1.7694	2.4605	2.0368
Final	1.4188	1.5269	2.9457	2.4064

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.8623	-	1.8623	1.5733
Final	2.1939	-	2.1939	1.8379
Group 2	(p)	(p)	(p)	(p)
Interim	0.3109	1.5514	1.8623	1.5733
Final	1.1383	1.0556	2.1939	1.8379

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.7373	-	1.7373	1.6238
Final	1.9969	-	1.9969	1.7581
Group 2	(c)	(c)	(c)	(c)
Interim	1.1757	0.5616	1.7373	1.6238
Final	0.9331	1.0638	1.9969	1.7581

## Share class A Income (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.3897	-	1.3897	1.3480
Final	1.5794	-	1.5794	1.4110
Group 2	(c)	(c)	(c)	(c)
Interim	0.4260	0.9637	1.3897	1.3480
Final	0.4870	1.0924	1.5794	1.4110

## Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 100.00% of the dividend is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 100.00% of the dividend is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

# First State Global Property Securities Fund

## Authorised Fund Manager's Report

for the year ended 31 July 2017

### Investment Objective and Policy

The Fund aims to achieve an investment return consistent with income and long-term capital growth.

The Fund primarily invests in a broad selection of securities issued by real estate investment trusts or companies that own, develop or manage real property from around the world.

### Risks and reward profile

	← Lower Risk					Higher Risk →	
	Potentially Lower Rewards					Potentially Higher Rewards	
Share class A Accumulation	1	2	3	4	5	6	7
Share class A Income	1	2	3	4	5	6	7
Share class B Accumulation	1	2	3	4	5	6	7
Share class B Income	1	2	3	4	5	6	7
Share class B Hedged Accumulation	1	2	3	4	5	6	7
Share class A Accumulation (EUR share class)	1	2	3	4	5*	6	7
Share class A Income (EUR share class)	1	2	3	4	5*	6	7
Share class B Accumulation (EUR share class)	1	2	3	4	5*	6	7
Share class B Income (EUR share class)	1	2	3	4	5*	6	7
Share class B Hedged Accumulation (EUR share class)	1	2	3	4	5	6	7

- The synthetic risk reward indicator (the SRRI) rating is not a measure of the risk of you losing your investment but describes how much the value of the Fund went up and down in the past;
- The SRRI rating is based on historical data, which may not be a reliable indication of the future risks and rewards of the Fund;
- We cannot guarantee that the rating of the Fund will remain the same; it may change over time;
- Even the lowest rating 1 does not mean a risk-free investment;
- On a scale of 1 (less risky) to 7 (more risky), this Fund has a rating of 5 due to its past performance and the nature of its investments. Shares with a rating of 5 might have higher risks, but also higher returns;
- Risk is taken in order to make a higher potential return; the more risk a Fund takes, the higher the potential return but the greater the risk of loss; and
- The value of the Fund and its return is not guaranteed and may fall as well as rise. You may get back less than you originally invested.

\*The SRRI changed from 6 to 5 on 25 November 2016.

The Fund might also experience the following risks:

**Single-sector risk:** investing in a single sector may be riskier than investing in a number of different sectors. Investing in a larger number of sectors helps spread risk.

**Property securities risk:** the Fund invests in the shares of companies that are involved in property (like real estate investment trusts) rather than property itself. The value of these investments may fluctuate more than actual property.

For further information on risks, please refer to the Risk Factors section in the Company's prospectus.

for the year ended 31 July 2017

**Performance**

The Fund decreased by -1.0% in sterling terms over the year and has provided a cumulative return of 38.1% and 53.6% over three and five years respectively to 31 July 2017.

The largest positive contributors to performance were holdings in US data centre stocks Equinix and CyrusOne (both US: Specialised). Growing demand for data centre services, underpinned by the increasing adoption of cloud computing and rapid growth in data consumption and computing needs, continues to buoy this specialist sub-sector.

The largest detractors from Fund performance included holdings in Simon Property Group and Tanger Factory Outlet Centers (both US: Retail). These REITs (real estate investment trusts) were affected by concerns about e-commerce cannibalising physical retail sales. This is a challenge faced by many US retailers.

**Portfolio changes**

The Fund established a position in UDR Inc (US: Residential) after share price underperformance created an attractive entry level. US apartment REITs appear well placed to benefit from unaffordable US home prices and tighter labour markets. A position was also initiated in Vicinity Centres (Australia: Retail), Australia's largest owner of sub-regional retail and outlet centres. The stock is trading at an attractive valuation; its development pipeline is expected to underpin future earnings growth.

Positions in Boston Properties (US: Office) and Equity Residential (US: Residential) were divested, reflecting concerns that both companies face lower earnings growth outlooks.

**Outlook**

In our view, we are in a mature stage of the real estate cycle with relatively expensive direct real estate valuations due to very low interest rates. We note that REIT valuations may correct if bond yields increase materially. With the US Federal Reserve committed to normalizing interest rates, US long-term rates appear reasonably likely to rise from current levels over the longer term. We do preface that over the medium term interest rates are likely to remain low.

The portfolio remains focused on urban property assets with high barriers to entry in the world's leading cities, trading below private market levels and offering total return expectations in excess of through-the-cycle norms.

**Cumulative performance as at 31 July 2017**

Time period	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Since launch
Fund return %	1.3	0.2	(1.0)	38.1	53.6	90.7	101.7
Benchmark return %	1.8	1.9	(1.2)	48.6	71.4	127.7	120.7
Sector return %	1.5	3.5	5.8	22.5	46.3	31.2	46.5
Quartile ranking	3	4	4	1	2	1	1

**Discrete performance as at 31 July 2017**

Time period	12 mths to 31/07/17	12 mths to 31/07/16	12 mths to 31/07/15	12 mths to 31/07/14	12 mths to 31/07/13
Fund return %	(1.0)	21.5	14.8	2.0	9.1

Benchmark: FTSE EPRA NAREIT Developed Index.

Sector: IA Property.

Past performance should not be used as a guide to future performance, which is not guaranteed.

**Authorised Fund Manager's Report**

(continued)

for the year ended 31 July 2017

**Ten largest holdings**

<b>Stock name</b>	<b>31 July 2017</b>	<b>Stock name</b>	<b>31 July 2016</b>
	<b>% of Fund</b>		<b>% of Fund</b>
Equinix REIT	6.33	Simon Property Group REIT	7.42
GGP REIT	6.14	Hammerson REIT	5.52
Simon Property Group REIT	5.79	Equity Residential REIT	5.30
Sun Hung Kai Properties	4.85	Equinix REIT	5.27
CyrusOne REIT	4.76	Hudson Pacific Properties REIT	4.29
UDR REIT	4.59	Vornado Realty Trust REIT	4.11
Hudson Pacific Properties REIT	4.06	Unibail-Rodamco REIT	3.98
National Storage REIT	4.06	Apartment Investment & Management REIT	3.83
Vornado Realty Trust REIT	4.03	New South Resources	3.69
UNITE Group REIT	4.03	CapitaLand Mall Trust REIT	3.62

**Types of shares**

Income and Accumulation.

# First State Global Property Securities Fund

## Portfolio Statement

as at 31 July 2017

Holdings	Market Value £'000	Total Net Assets %
<b>UNITED KINGDOM (10.80%*)</b>	<b>19,597</b>	<b>7.47</b>
1,568,638 Hammerson REIT**	9,027	3.44
1,576,368 UNITE Group REIT**	10,570	4.03
<b>UNITED STATES (53.85%*)</b>	<b>141,530</b>	<b>53.94</b>
234,537 Apartment Investment & Management REIT**	8,087	3.08
274,764 CyrusOne REIT**	12,488	4.76
48,643 Equinix REIT**	16,603	6.33
928,267 GGP REIT**	16,119	6.14
111,100 Hilton Worldwide Holdings	5,287	2.01
430,791 Hudson Pacific Properties REIT**	10,642	4.06
163,277 InterXion Holding	5,946	2.27
168,018 Kilroy Realty REIT**	9,015	3.43
404,483 Kimco Realty REIT**	6,294	2.40
283,303 Mack-Cali Realty REIT**	5,636	2.15
150,670 Regency Centers REIT**	7,598	2.90
124,274 Simon Property Group REIT**	15,205	5.79
401,409 UDR REIT**	12,032	4.59
175,865 Vornado Realty Trust REIT**	10,578	4.03
<b>CANADA (0.00%*)</b>	<b>3,579</b>	<b>1.36</b>
570,043 Dream Global REIT**	3,579	1.36
<b>FRANCE (3.98%*)</b>	<b>2,018</b>	<b>0.77</b>
10,604 Unibail-Rodamco REIT**	2,018	0.77
<b>GERMANY (1.76%*)</b>	<b>1,519</b>	<b>0.58</b>
20,791 LEG Immobilien	1,519	0.58
<b>NETHERLANDS (0.00%*)</b>	<b>7,279</b>	<b>2.77</b>
143,597 Eurocommercial Properties	4,439	1.69
317,765 Playa Hotels & Resorts	2,840	1.08
<b>JAPAN (11.46%*)</b>	<b>31,911</b>	<b>12.16</b>
1,050 Daiwa Office Investment REIT**	3,929	1.50
5,949 Japan Rental Housing Investments REIT**	3,366	1.28
838 Kenedix Office Investment REIT**	3,592	1.37
1,454 Kenedix Retail REIT**	2,416	0.92
91,000 Mitsubishi Estate	1,257	0.48
604,645 Mitsui Fudosan	10,556	4.02
2,344 Mitsui Fudosan Logistics Park REIT**	5,160	1.97
71,000 Sumitomo Realty & Development	1,635	0.62
<b>AUSTRALIA (4.63%*)</b>	<b>24,969</b>	<b>9.52</b>
1,056,870 Charter Hall Group REIT**	3,325	1.27
1,370,062 GPT Group REIT**	3,986	1.52
11,755,975 National Storage REIT**	10,640	4.06
4,216,821 Vicinity Centres REIT**	7,018	2.67
<b>HONG KONG (5.63%*)</b>	<b>17,573</b>	<b>6.70</b>
1,424,000 Hang Lung Properties	2,698	1.03
490,600 Henderson Land Development	2,161	0.82
1,078,000 Sun Hung Kai Properties	12,714	4.85
<b>SINGAPORE (5.20%*)</b>	<b>11,461</b>	<b>4.37</b>
7,628,500 CapitaLand Mall Trust REIT**	8,565	3.27
3,233,800 Mapletree Commercial Trust REIT**	2,896	1.10

# First State Global Property Securities Fund

## Portfolio Statement

(continued)

as at 31 July 2017

	Market Value £'000	Total Net Assets %
<b>DERIVATIVES (0.00%*)</b>	35	0.01
<b>Forward Currency Contracts</b>		
<b>Australian Dollar</b>		
Sold AUD11,484 for GBP6,826 Settlement 04/08/2017	-	-
<b>Canadian Dollar</b>		
Sold CAD535 for GBP322 Settlement 04/08/2017	-	-
<b>Euro</b>		
Bought EUR1,635,430 for USD1,875,246 Settlement 04/08/2017	33	0.01
Bought EUR183,332 for HKD1,641,072 Settlement 04/08/2017	4	-
Bought EUR68,868 for USD78,604 Settlement 04/08/2017	1	-
Bought EUR131,959 for SGD208,988 Settlement 04/08/2017	1	-
Bought EUR220,894 for GBP196,830 Settlement 04/08/2017	1	-
Bought EUR62,890 for GBP56,042 Settlement 04/08/2017	-	-
Bought EUR71,230 for USD83,758 Settlement 04/08/2017	-	-
Bought EUR320,296 for JPY41,656,595 Settlement 04/08/2017	(1)	-
Bought EUR318,140 for AUD476,978 Settlement 04/08/2017	(5)	-
Sold EUR2,197 for GBP1,958 Settlement 04/08/2017	-	-
<b>Hong Kong Dollar</b>		
Sold HKD32,103 for GBP3,196 Settlement 04/08/2017	-	-
<b>Japanese Yen</b>		
Sold JPY1,177,307 for GBP8,066 Settlement 04/08/2017	-	-
<b>Singapore Dollar</b>		
Sold SGD4,776 for GBP2,687 Settlement 04/08/2017	-	-
<b>US Dollar</b>		
Sold USD46,938 for GBP36,477 Settlement 04/08/2017	1	-
<b>Portfolio of investments<sup>^</sup></b>	<b>261,471</b>	<b>99.65</b>
<b>Net other assets</b>	<b>919</b>	<b>0.35</b>
<b>Total net assets</b>	<b>262,390</b>	<b>100.00</b>

All investments held are listed, unless otherwise stated.

For the purposes of the portfolio holdings analysis, securities are shown based on their country of listing.

\* Comparative figures shown in brackets relate to 31 July 2016.

\*\* Real estate investment trust (REIT).

<sup>^</sup> Including derivative liabilities.

# First State Global Property Securities Fund

## Comparative Table

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	203.57	167.53	145.90
Return before operating charges*	1.31	38.87	24.28
Operating charges	(3.33)	(2.83)	(2.65)
Return after operating charges*	(2.02)	36.04	21.63
Distributions	(4.86)	(3.80)	(3.38)
Retained distributions on accumulation shares	4.86	3.80	3.38
Closing net asset value per share (p)	201.55	203.57	167.53
* after direct transaction costs of:	0.54	0.81	0.40
<b>Performance</b>			
Return after charges (%)	(0.99)%	21.51%	14.83%
<b>Other information</b>			
Closing net asset value (£'000)	28,888	38,993	50,719
Closing number of shares	14,332,691	19,154,906	30,274,712
Operating charges	1.65%	1.65%	1.63%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	210.05	204.71	183.20
Lowest share price	188.91	154.53	142.13

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class A Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	155.25	130.49	116.06
Return before operating charges*	0.92	29.96	19.37
Operating charges	(2.32)	(2.24)	(2.28)
Return after operating charges*	(1.40)	27.72	17.09
Distributions	(3.70)	(2.96)	(2.66)
Closing net asset value per share (p)	150.15	155.25	130.49
* after direct transaction costs of:	0.41	0.63	0.32
<b>Performance</b>			
Return after charges (%)	(0.90)%	21.24%	14.73%
<b>Other information</b>			
Closing net asset value (£'000)	3,437	3,127	5,622
Closing number of shares	2,289,047	2,014,218	4,308,661
Operating charges	1.52%	1.69%	1.77%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	159.71	157.82	144.14
Lowest share price	144.15	119.12	113.06

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	214.34	175.04	151.36
Return before operating charges*	1.09	40.90	25.23
Operating charges	(1.86)	(1.60)	(1.55)
Return after operating charges*	(0.77)	39.30	23.68
Distributions	(5.15)	(4.01)	(3.47)
Retained distributions on accumulation shares	5.15	4.01	3.47
Closing net asset value per share (p)	213.57	214.34	175.04
* after direct transaction costs of:	0.58	0.85	0.42
<b>Performance</b>			
Return after charges (%)	(0.36)%	22.45%	15.64%
<b>Other information</b>			
Closing net asset value (£'000)	175,662	190,402	132,033
Closing number of shares	82,250,286	88,831,725	75,429,800
Operating charges	0.87%	0.88%	0.90%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	222.16	215.53	190.97
Lowest share price	199.33	161.58	147.44

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	168.96	141.04	124.52
Return before operating charges*	0.89	32.60	20.79
Operating charges	(1.59)	(1.46)	(1.43)
Return after operating charges*	(0.70)	31.14	19.36
Distributions	(4.05)	(3.22)	(2.84)
Closing net asset value per share (p)	164.21	168.96	141.04
* after direct transaction costs of:	0.45	0.68	0.35
<b>Performance</b>			
Return after charges (%)	(0.41)%	22.08%	15.55%
<b>Other information</b>			
Closing net asset value (£'000)	33,810	25,963	20,729
Closing number of shares	20,589,704	15,366,187	14,697,657
Operating charges	0.95%	1.00%	1.02%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	174.23	171.77	155.40
Lowest share price	157.09	129.27	121.30

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (p)	Final 31 July 2016 (p)	Final 31 July 2015 (p)
<b>Share class B Hedged Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	101.21	99.83	100.00
Return before operating charges*	(0.19)	2.19	0.02
Operating charges	(0.84)	(0.81)	(0.19)
Return after operating charges*	(1.03)	1.38	(0.17)
Distributions	(2.46)	(1.94)	(0.39)
Retained distributions on accumulation shares	2.46	1.94	0.39
Closing net asset value per share (p)	100.18	101.21	99.83
* after direct transaction costs of:	0.27	0.46	0.25
<b>Performance</b>			
Return after charges (%)	(1.02)%	1.38%	(0.17)%
<b>Other information</b>			
Closing net asset value (£'000)	68	5	46
Closing number of shares	67,999	4,501	46,204
Operating charges	0.85%	0.84%	0.87%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	102.48	101.75	102.22
Lowest share price	91.84	86.35	96.87

Share class B Hedged Accumulation was launched on 13 May 2015.

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	192.49	189.36	146.46
Return before operating charges*	(9.66)	5.99	45.61
Operating charges	(2.96)	(2.86)	(2.71)
Return after operating charges*	(12.62)	3.13	42.90
Distributions	(4.43)	(3.77)	(3.65)
Retained distributions on accumulation shares	4.43	3.77	3.65
Closing net asset value per share (c)	179.87	192.49	189.36
* after direct transaction costs of:	0.50	0.86	0.43
<b>Performance</b>			
Return after charges (%)	(6.56)%	1.65%	29.29%
<b>Other information</b>			
Closing net asset value (€'000)	5,957	4,584	4,203
Closing number of shares	3,311,883	2,381,335	2,220,208
Operating charges	1.59%	1.57%	1.55%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	195.86	194.63	201.90
Lowest share price	175.39	158.75	141.96

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class A Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	154.50	155.14	122.40
Return before operating charges*	(7.94)	4.78	38.04
Operating charges	(2.38)	(2.32)	(2.25)
Return after operating charges*	(10.32)	2.46	35.79
Distributions	(3.47)	(3.10)	(3.05)
Closing net asset value per share (c)	140.71	154.50	155.14
* after direct transaction costs of:	0.41	0.70	0.36
<b>Performance</b>			
Return after charges (%)	(6.68)%	1.59%	29.24%
<b>Other information</b>			
Closing net asset value (€'000)	187	7,877	16,525
Closing number of shares	132,962	5,098,377	10,652,726
Operating charges	1.56%	1.56%	1.56%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	155.49	158.85	167.02
Lowest share price	140.11	128.82	118.64

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Accumulation (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	169.54	165.50	127.07
Return before operating charges*	(8.77)	5.32	39.65
Operating charges	(1.32)	(1.28)	(1.22)
Return after operating charges*	(10.09)	4.04	38.43
Distributions	(3.91)	(3.32)	(3.18)
Retained distributions on accumulation shares	3.91	3.32	3.18
Closing net asset value per share (c)	159.45	169.54	165.50
* after direct transaction costs of:	0.45	0.75	0.38
<b>Performance</b>			
Return after charges (%)	(5.95)%	2.44%	30.24%
<b>Other information</b>			
Closing net asset value (€'000)	13,576	12,723	10,441
Closing number of shares	8,515,066	7,504,107	6,309,186
Operating charges	0.80%	0.80%	0.80%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	173.26	171.42	176.07
Lowest share price	154.74	139.34	123.19

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)	Final 31 July 2015 (c)
<b>Share class B Income (EUR share class)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	114.85	127.65	99.89
Return before operating charges*	(5.28)	(11.16)	31.20
Operating charges	(0.89)	(0.86)	(0.91)
Return after operating charges*	(6.17)	(12.02)	30.29
Distributions	(2.58)	(0.78)	(2.53)
Closing net asset value per share (c)	106.10	114.85	127.65
* after direct transaction costs of:	0.30	0.56	0.29
<b>Performance</b>			
Return after charges (%)	(5.37)%	(9.42)%	30.32%
<b>Other information</b>			
Closing net asset value (€'000)	-	-	3
Closing number of shares	51	50	2,000
Operating charges	0.80%	0.74%	0.77%
Direct transaction costs	0.27%	0.47%	0.25%
<b>Prices</b>			
Highest share price	116.61	131.01	137.09
Lowest share price	105.27	97.96	96.85

Share class B Income (EUR share class) is not paying any expenses since June 2016.

# First State Global Property Securities Fund

## Comparative Table

(continued)

for the year ended 31 July 2017

### Net Asset Value and Ongoing Charges Figure

	Final 31 July 2017 (c)	Final 31 July 2016 (c)
<b>Share class B Hedged Accumulation (EUR share class)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	104.39	100.00
Return before operating charges*	(1.35)	4.98
Operating charges	(0.87)	(0.59)
Return after operating charges*	(2.22)	4.39
Distributions	(2.43)	(1.42)
Retained distributions on accumulation shares	2.43	1.42
Closing net asset value per share (c)	102.17	104.39
* after direct transaction costs of:	0.27	0.71
<b>Performance</b>		
Return after charges (%)	(2.13)%	4.39%
<b>Other information</b>		
Closing net asset value (€'000)	3,238	2,889
Closing number of shares	3,169,087	2,767,500
Operating charges	0.86%	0.86%
Direct transaction costs	0.27%	0.47%
<b>Prices</b>		
Highest share price	105.66	104.89
Lowest share price	94.44	87.56

Share class B Hedged Accumulation (EUR share class) was launched on 25 November 2015.

# First State Global Property Securities Fund

## Statement of Total Return

for the year ended 31 July 2017

	Notes	31 July 2017		31 July 2016	
		£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	2		(5,515)		49,707
Revenue	3	8,229		6,615	
Expenses	4	(2,732)		(2,614)	
Interest payable and similar charges		(7)		(7)	
<b>Net revenue before taxation</b>		<b>5,490</b>		<b>3,994</b>	
Taxation	5	(1,065)		(711)	
<b>Net revenue after taxation</b>			<b>4,425</b>		<b>3,283</b>
<b>Total return before distributions</b>			<b>(1,090)</b>		<b>52,990</b>
Distributions	6		(6,611)		(5,546)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(7,701)</b>		<b>47,444</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 July 2017

	31 July 2017		31 July 2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>282,161</b>		<b>231,125</b>
Amounts receivable on issue of shares	62,949		121,146	
Less: Amounts payable on cancellation of shares	(80,826)		(122,622)	
		(17,877)		(1,476)
Dilution adjustment		121		256
Change in net assets attributable to shareholders from investment activities		(7,701)		47,444
Retained distribution on accumulation shares		5,686		4,812
<b>Closing net assets attributable to shareholders</b>		<b>262,390</b>		<b>282,161</b>

Notes to the Financial Statements are on pages 469 to 474.

# First State Global Property Securities Fund

## Balance Sheet

as at 31 July 2017

	Notes	31 July 2017 £'000	31 July 2016 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		<u>261,477</u>	<u>274,573</u>
<b>Current assets</b>			
Debtors	8	829	7,299
Cash and bank balances		<u>1,643</u>	<u>10,111</u>
<b>Total assets</b>		<u><b>263,949</b></u>	<u><b>291,983</b></u>
<b>Liabilities</b>			
Investment liabilities		(6)	(3)
Provision for liabilities		(67)	(38)
<b>Creditors</b>			
Distribution payable		(465)	(387)
Other creditors	9	<u>(1,021)</u>	<u>(9,394)</u>
<b>Total liabilities</b>		<u><b>(1,559)</b></u>	<u><b>(9,822)</b></u>
<b>Net assets attributable to shareholders</b>		<u><u><b>262,390</b></u></u>	<u><u><b>282,161</b></u></u>

*Notes to the Financial Statements are on pages 469 to 474.*

# First State Global Property Securities Fund

## Notes to the Financial Statements

as at 31 July 2017

### 1. Accounting basis and policies

Please see pages 9 to 11 for accounting basis and policies.

### 2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	31 July 2017 £'000	31 July 2016 £'000
Non-derivative securities	(5,314)	48,827
Forward foreign exchange currency contracts	92	44
Currency (losses)/gains	(293)	836
Net capital (losses)/gains	<u>(5,515)</u>	<u>49,707</u>

### 3. Revenue

	31 July 2017 £'000	31 July 2016 £'000
Dividends from UK companies	-	134
Overseas taxable revenue	57	(267)
Overseas non-taxable revenue	923	788
Property revenue from UK REITs - PID	661	458
Property revenue from UK REITs - Non-PID	333	171
Property revenue from overseas REITs	6,254	5,266
UK scrip dividends	-	58
Interest from bank deposits	1	7
Total revenue	<u>8,229</u>	<u>6,615</u>

### 4. Expenses

	31 July 2017 £'000	31 July 2016 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	<u>2,396</u>	<u>2,272</u>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	<u>41</u>	<u>35</u>
<b>Other expenses:</b>		
Audit fee	11	10
Registrar fees	218	232
Safe custody charges	10	8
Other expenses	<u>56</u>	<u>57</u>
	<u>295</u>	<u>307</u>
Total expenses	<u>2,732</u>	<u>2,614</u>

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 5. Taxation

	31 July 2017 £'000	31 July 2016 £'000
<b>(a) Analysis of charge in year:</b>		
Corporation tax	750	382
Overseas tax relief	(722)	(382)
Irrecoverable overseas tax	1,008	686
Deferred taxation	29	25
Total taxation (note 5b)	<u>1,065</u>	<u>711</u>

**(b) Factors affecting current tax charge for the year:**

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK for an open-ended investment company of 20% (2016: 20%). The differences are explained below:

Net revenue before taxation	5,490	3,994
Corporation tax of 20% (2016: 20%)	1,098	799
<b>Effects of:</b>		
UK dividends*	-	(27)
Overseas non-taxable revenue*	(185)	(288)
Double tax relief	(789)	(425)
Irrecoverable overseas tax	1,008	686
Property revenue from UK REITs - Non PID	(67)	(34)
Total tax charge for year (note 5a)	<u>1,065</u>	<u>711</u>

*OEICs are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.*

*\* As an authorised OEIC, these items are not subject to corporation tax.*

**(c) Deferred taxation:**

Provision at the start of the year	38	13
Deferred tax charge in profit and loss account for the year (note 5a)	29	25
Provision at the end of the year	<u>67</u>	<u>38</u>
Provision consists of:		
Revenue taxable in different periods	207	110
Double tax relief	(140)	(72)
Provision at the end of the year	<u>67</u>	<u>38</u>

## 6. Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	31 July 2017 £'000	31 July 2016 £'000
Interim distribution	3,310	2,419
Final distribution	3,208	3,062
	<u>6,518</u>	<u>5,481</u>
Add: revenue deducted on cancellation of shares	453	728
Deduct: revenue received on issue of shares	(360)	(663)
Net distributions for the year	<u>6,611</u>	<u>5,546</u>

*Details of the distributions per share are set out in the Distribution Tables on pages 475 to 477.*

## Notes to the Financial Statements

(continued)

as at 31 July 2017

## 7. Movement between net revenue and net distributions

	31 July 2017	31 July 2016
	£'000	£'000
Net revenue after taxation	4,425	3,283
Expenses charged to capital	2,732	2,614
Tax relief on expenses charged to capital	(546)	(351)
Net distributions for the year	<u>6,611</u>	<u>5,546</u>

## 8. Debtors

	31 July 2017	31 July 2016
	£'000	£'000
Sales awaiting settlement	-	5,632
Amounts receivable for issue of shares	53	1,142
Accrued revenue	657	406
Overseas tax recoverable	119	119
Total debtors	<u>829</u>	<u>7,299</u>

## 9. Creditors

	31 July 2017	31 July 2016
	£'000	£'000
Purchases awaiting settlement	-	8,719
Amounts payable for cancellation of shares	586	393
Accrued expenses	407	282
Corporation tax payable	28	-
Total creditors	<u>1,021</u>	<u>9,394</u>

## 10. Portfolio transaction costs

Analysis of total trade costs:

	Purchases		Sales	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£'000	£'000	£'000	£'000
Equities	207,637	305,141	215,106	306,136
Trades in the year before transaction costs	<u>207,637</u>	<u>305,141</u>	<u>215,106</u>	<u>306,136</u>
<b>Commissions</b>				
Equities	344	432	(344)	(487)
<b>Taxes</b>				
Equities	39	238	(18)	(25)
Total costs	<u>383</u>	<u>670</u>	<u>(362)</u>	<u>(512)</u>
Total net trades in the year after transaction costs	<u>208,020</u>	<u>305,811</u>	<u>214,744</u>	<u>305,624</u>

as at 31 July 2017

Total transaction cost expressed as a percentage of asset type cost:

	Purchases		Sales	
	31 July 2017 %	31 July 2016 %	31 July 2017 %	31 July 2016 %
<b>Commissions</b>				
Equities	0.17	0.14	0.16	0.16
<b>Taxes</b>				
Equities	0.02	0.08	0.01	0.01

Total transaction cost expressed as a percentage of average net asset value:

	31 July 2017 %	31 July 2016 %
Commissions	0.25	0.37
Taxes	0.02	0.10
<b>Total costs</b>	<b>0.27</b>	<b>0.47</b>

#### Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.12% (31/07/2016: 0.12%).

#### 11. Contingent liabilities and commitments

As at 31 July 2017, the Fund had no contingent liabilities (31/07/16: £nil) and no commitments (31/07/16: £nil).

#### 12. Derivatives and other financial instruments

##### (a) General

In pursuing its investment objectives, the Fund holds equity shares.

The main risk arising from the Fund's financial instruments is market-price risk. Market-price risk arises mainly from uncertainty about future prices of the financial instruments held. Investment risk in the portfolio is regularly reviewed and controlled through the adoption of parameters limiting exposures to various factors such as industries, countries, and company size.

The Fund has little exposure to credit or cash-flow risk. Certain transactions in securities that the Fund enters into expose it to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers that have been approved by the Authorised Corporate Director as an acceptable counter-party. This list is reviewed quarterly. The Fund's assets comprise mainly realisable securities that can be readily sold in normal market conditions.

The Fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure that it can meet its liabilities. Assets from a Fund may need to be sold if insufficient cash is available to finance such redemptions. The Fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given securities position or percentage of the Fund as a whole (determined by reference to available market trading volumes). Funds that have a higher concentration of securities that are deemed to be less liquid are regularly monitored.

As a proportion of the Fund's investment portfolio is invested in overseas securities, the Balance Sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward foreign exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

The market value of investments is taken to equal 'fair value' for the purposes of Financial Reporting Standard 102. Given all the activities of the Fund, none of the investments held fall within the definition of 'investments held for trading' as set out in Financial Reporting Standard 13.

#### Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

If market prices increase or decrease by 10%, then the impact on the portfolio will be an increase or decrease of 10% (£26,143,601) (31/07/16: £27,456,416).

as at 31 July 2017

*(b) Interest-rate risk*

The Fund does not invest in either fixed or floating-rate securities, and interest-rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions that will be affected by fluctuations in interest rates.

As at 31 July 2017, 0.63% (31/07/2016: 3.58%) of the Fund's assets were interest-bearing.

As exposure to interest-rate risk is not significant, no additional numerical or sensitivity analysis is presented.

*(c) Analysis of the Fund's currency exposure*

The following summarises the sterling value of currencies of the Fund in which the investments, including cash, debtors and creditors, are denominated.

As at 31 July 2017, the Fund had the following net currency exposure (excluding sterling):

Currency	Net foreign currency assets	Net foreign currency assets
	31 July 2017	31 July 2016
	Total	Total
	£'000	£'000
Australian dollar	25,369	13,190
Canadian dollar	3,620	7
Euro	7,993	19,051
Hong Kong dollar	17,574	7,684
Japanese yen	32,125	32,093
Singapore dollar	11,567	12,453
US dollar	144,838	160,396
Total	<u>243,086</u>	<u>244,874</u>

If foreign exchange rates increase or decrease by 5%, then the impact on the NAV will be an increase or decrease of 4.63% (£12,154,303) (31/07/16: 4.34% (£12,243,667)).

**Effective Portfolio Management****Financial derivative instruments exposure as at 31 July 2017**

	Value (£)
Forward foreign currency contracts (hedging)	34,743
<b>Total financial derivative instruments exposure</b>	<u>34,743</u>

**Counterparties to financial derivative instruments and efficient portfolio management techniques as at 31 July 2017**

	Value (£)
State Street Bank and Trust Company	34,743

**13. Related parties**

First State Investments (UK) Limited ("the ACD") is a related party to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures' and FRS 102 Section 33 'Related Party Disclosures'. By virtue of the regulations governing open-ended investment companies, the ACD is party to every transaction in respect of shares of the Fund, which are summarised in the 'Statement of Change in Net Assets Attributable to Shareholders'. Amounts due at the year end in respect of issues and cancellations are included in the Balance Sheet.

Amounts paid to First State Investments (UK) Limited in respect of ACD fees are disclosed in note 4, with £191,781 (31/07/16: £192,146) due at the year end.

As at 31 July 2017, Commonwealth Bank of Australia (UK) Staff Pension Scheme, a related party of the ACD, owned 0.25% (31/07/16: 0.22%) of the net asset value of the Fund.

**Material Shareholders**

FNZ (UK) Nominees Limited and FIL Nominee (Shareholdings) Limited held material shareholdings in the Fund during the year to 31 July 2017, and at the year end held 13% and 10.5% of the Fund's shares in issue respectively.

as at 31 July 2017

**14. Share classes**

The Fund has ten share classes in issue.

The ACD's periodic charge on each share class is as follows:

	%
Share class A Accumulation (Retail):	1.50
Share class A Income (Retail):	1.50
Share class B Accumulation (Institutional):	0.75
Share class B Income (Institutional):	0.75
Share class B Hedged Accumulation (Institutional):	0.75
Share class A Accumulation (EUR share class) (Retail):	1.50
Share class A Income (EUR share class) (Retail):	1.50
Share class B Accumulation (EUR share class) (Institutional):	0.75
Share class B Income (EUR share class) (Institutional):	0.75
Share class B Hedged Accumulation (EUR share class) (Institutional):	0.75

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table on pages 457 to 466.

The distributions per share class are given in the Distribution Tables on pages 475 to 477.

All share classes have the same rights on winding up.

**Reconciliation of the shares movement in the year:**

	31 July 2016			31 July 2017	
	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share class A Accumulation (Retail)	19,154,906	3,776,805	(8,304,670)	(294,350)	14,332,691
Share class A Income (Retail)	2,014,218	4,262,064	(3,957,120)	(30,115)	2,289,047
Share class B Accumulation (Institutional)	88,831,725	10,102,187	(16,897,771)	214,145	82,250,286
Share class B Income (Institutional)	15,366,187	6,549,441	(1,436,230)	110,306	20,589,704
Share class B Hedged Accumulation (Institutional)	4,501	65,133	(1,635)	-	67,999
Share class A Accumulation (EUR share class) (Retail)	2,381,335	1,581,716	(651,168)	-	3,311,883
Share class A Income (EUR share class) (Retail)	5,098,377	1,686,104	(6,651,519)	-	132,962
Share class B Accumulation (EUR share class) (Institutional)	7,504,107	7,904,772	(6,893,813)	-	8,515,066
Share class B Income (EUR share class) (Institutional)	50	1	-	-	51
Share class B Hedged Accumulation (EUR share class) (Institutional)	2,767,500	656,357	(254,770)	-	3,169,087

**15. Fair value**

Valuation technique	31 July 2017		31 July 2016	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Level 1	261,436	-	274,564	-
Level 2	41	(6)	9	(3)
Level 3	-	-	-	-
Total fair value	261,477	(6)	274,573	(3)

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (i.e. market data is unavailable) for the asset or liability. Over the Counter (OTC) derivatives (including equity swaps) are held at fair value, which is determined by valuation techniques or single broker quotes.

# First State Global Property Securities Fund

## Distribution Tables

for the year ended 31 July 2017

### Distribution in pence and cents per share

Group 1 Interim - Shares purchased prior to 1 August 2016

Final - Shares purchased prior to 1 February 2017

Group 2 Interim - Shares purchased between 1 August 2016 and 31 January 2017

Final - Shares purchased between 1 February 2017 and 31 July 2017

### Share class A Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.4200	-	2.4200	1.6326
Final	2.4396	-	2.4396	2.1664
Group 2	(p)	(p)	(p)	(p)
Interim	1.2246	1.1954	2.4200	1.6326
Final	1.4293	1.0103	2.4396	2.1664

### Share class A Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.8599	-	1.8599	1.2681
Final	1.8435	-	1.8435	1.6898
Group 2	(p)	(p)	(p)	(p)
Interim	0.8559	1.0040	1.8599	1.2681
Final	0.8430	1.0005	1.8435	1.6898

### Share class B Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.5399	-	2.5399	1.6797
Final	2.6061	-	2.6061	2.3352
Group 2	(p)	(p)	(p)	(p)
Interim	1.1739	1.3660	2.5399	1.6797
Final	1.3924	1.2137	2.6061	2.3352

### Share class B Income

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	2.0020	-	2.0020	1.3584
Final	2.0434	-	2.0434	1.8571
Group 2	(p)	(p)	(p)	(p)
Interim	0.9772	1.0248	2.0020	1.3584
Final	1.0539	0.9895	2.0434	1.8571

# First State Global Property Securities Fund

## Distribution Tables

(continued)

for the year ended 31 July 2017

### Share class B Hedged Accumulation

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(p)	(p)	(p)	(p)
Interim	1.2290	-	1.2290	0.8880
Final	1.2275	-	1.2275	1.0501
Group 2	(p)	(p)	(p)	(p)
Interim	0.4368	0.7922	1.2290	0.8880
Final	1.0775	0.1500	1.2275	1.0501

### Share class A Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	2.2387	-	2.2387	1.6601
Final	2.1935	-	2.1935	2.1055
Group 2	(c)	(c)	(c)	(c)
Interim	1.1353	1.1034	2.2387	1.6601
Final	1.1934	1.0001	2.1935	2.1055

### Share class A Income (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.8635	-	1.8635	1.5246
Final	1.6031	-	1.6031	1.5777
Group 2	(c)	(c)	(c)	(c)
Interim	1.1592	0.7043	1.8635	1.5246
Final	0.6565	0.9466	1.6031	1.5777

### Share class B Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.9556	-	1.9556	1.4817
Final	1.9547	-	1.9547	1.8385
Group 2	(c)	(c)	(c)	(c)
Interim	1.1467	0.8089	1.9556	1.4817
Final	0.6341	1.3206	1.9547	1.8385

### Share class B Income (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.1918	-	1.1918	-
Final	1.3850	-	1.3850	0.7800
Group 2	(c)	(c)	(c)	(c)
Interim	1.1918	-	1.1918	-
Final	1.3850	-	1.3850	0.7800

## Distribution Tables

(continued)

for the year ended 31 July 2017

## Share class B Hedged Accumulation (EUR share class)

	Net revenue	Equalisation	Distributions paid to/payable 30/09/2017	Distributions paid 30/09/2016
Group 1	(c)	(c)	(c)	(c)
Interim	1.1868	-	1.1868	0.2806
Final	1.2467	-	1.2467	1.1381
Group 2	(c)	(c)	(c)	(c)
Interim	0.5841	0.6027	1.1868	0.2806
Final	0.5924	0.6543	1.2467	1.1381

## Corporate tax for all share classes (unaudited)

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 17.06% of the dividend is received as franked investment income.

Interim - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Interim - 82.94% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Final - 29.86% of the dividend is received as franked investment income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. The tax deemed to be deducted is treated as income tax.

Final - 70.14% of the dividend is received as an annual payment (foreign element) received after the deduction of income tax at the lower rate and is liable to corporation tax. It is treated as foreign income in the hands of the corporate investor and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

Shareholders should consult their professional advisers for any advice regarding their tax position.

# First State Investments ICVC

## Corporate Directory

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### The Company

First State Investments ICVC

**Registered office:**

Finsbury Circus House, 15 Finsbury Circus  
London EC2M 7EB

**Principal place of business:**

23 St Andrew Square  
Edinburgh EH2 1BB

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### Authorised Corporate Director (ACD)

First State Investments (UK) Limited

**Registered office:**

Finsbury Circus House, 15 Finsbury Circus  
London EC2M 7EB

**Head office:**

23 St Andrew Square  
Edinburgh EH2 1BB

Authorised and regulated by the Financial Conduct Authority.

**Dealing address:**

First State Investments (UK) Limited  
PO Box 12089  
Brentwood  
Essex CM14 9NH

**Correspondence address:**

First State Investments (UK) Limited  
PO Box 12089  
Brentwood  
Essex CM14 9NH

**Contact details:**

Telephone: 0800 587 4141 and +44 131 525 8870

Email: [enquiries@firststate.co.uk](mailto:enquiries@firststate.co.uk)

Website: [www.firststateinvestments.com](http://www.firststateinvestments.com)

**Directors of the ACD:**

C Turpin

A Hilderly

K Lakhani

F Johnson

R Wastcoat

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### Investment Manager

First State Investment Management (UK) Limited

**Registered office:**

23 St Andrew Square  
Edinburgh EH2 1BB

Authorised and regulated by the Financial Conduct Authority.

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### Investment Advisers

Colonial First State Asset Management (Australia) Limited

**Registered office:**

Level 29, 52 Martin Place  
Sydney NSW 2000

First State Investments (Hong Kong) Limited

**Registered office:**

Level 25, One Exchange Square  
Central, Hong Kong

First State Investments (Singapore)

**Registered office:**

38 Beach Road  
06-11 South Beach Tower  
Singapore 189767

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### Depositary

The Bank of New York Mellon (International) Limited†

**Registered office:**

One Canada Square  
London E14 5AL

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# First State Investments ICVC

## Corporate Directory

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### **Custodian**

The Bank of New York Mellon (International) Limited†

#### **Registered office:**

One Canada Square  
London E14 5AL

### **Administrator**

The Bank of New York Mellon (International) Limited†

#### **Registered office:**

One Canada Square  
London E14 5AL

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### **Registrar\***

The Bank of New York Mellon (International) Limited

#### **Registered office:**

One Canada Square  
London E14 5AL

#### **Principal place of business and location of the Register:**

Capital House  
2 Festival Square  
Edinburgh  
EH3 9SU

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### **Legal Advisers**

Simmons & Simmons LLP

#### **Registered Office:**

CityPoint  
One Ropemaker Street  
London EC2Y 9SS

### **Independent Auditors**

PricewaterhouseCoopers LLP

#### **Registered Office:**

Level 4  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

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Issued by First State Investments (UK) Limited.

Authorised and regulated by the Financial Conduct Authority and a member of IA.

Registered No. 2294743 England and Wales.

Registered office Finsbury Circus House, 15 Finsbury Circus, London, EC2M 7EB.

Entered on the FCA Register, registration number 143359.

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\* On 16 September 2016, the ACD Board passed a motion to retain Bank of New York Mellon (International) Limited as the Registrar.

† As at the annual financial reporting date of 31 July 2017, State Street Trustees Limited were Depositary, Custodian and Administrator of the First State Investments ICVC. The Bank of New York Mellon (International) Limited were appointed Depositary, Custodian and Administrator on 1 August 2017.

**Issued by First State  
Investments (UK) Limited**

Authorised and regulated by the  
Financial Conduct Authority and  
a member of IA

Registered No 2294743  
England and Wales

Registered office  
Finsbury Circus House,  
15 Finsbury Circus  
London EC2M 7EB

Entered on the FCA Register,  
registration number 143359