AHAM CAPITAL
ASSET MANAGEMENT

Information Memorandum

AHAM **World Series - Emerging Markets Short Duration** Fund

(Formerly known as Affin Hwang World Series – Emerging Markets Short Duration Fund)

MANAGER
AHAM Asset Management Berhad
(Formerly known as Affin Hwang Asset Management Berhad)
Registration No.: 199701014290 (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad
Registration No.: 200301008392 (610812-W)

This Replacement Information Memorandum is dated 15 December 2023.
The AHAM World Series – Emerging Markets Short Duration Fund was constituted on 18 March 2019.
The constitution date of the Fund is also the launch date of the Fund.

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia. The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum. The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM Asset Management Berhad responsible for the Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

This Information Memorandum is to be issued and distributed in Malaysia only. Consequently, no representation has been and will be made as to its compliance with the laws of any foreign jurisdiction.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE UNITS OF THE FUND. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISE

! YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

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CORPORATE DIRECTORY

The Manager/AHAM
AHAM Asset Management Berhad
Registered Office
27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel No. : (603) 2142 3700
Fax No. : (603) 2140 3799
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Toll free line : 1-800-88-7080
E-mail : customercare@aham.com.my
Website : www.aham.com.my

The Trustee
TMF Trustees Malaysia Berhad
Registered Office & Business Address
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Fax No. : (603) 2026 1451
E-mail: malaysia@tmf-group.com
Website: www.tmf-group.com

ABBREVIATION

AUD	Australian Dollar.
CAD	Canada Dollar.
CIBM	China Interbank Bond Market.
CHF	Swiss Franc.
CSRC	Chinese Securities Regulatory Commission.
CSSF	Commission de Surveillance du Secteur Financier.
DKK	Danish Krone.
ESMA	European Securities and Markets Authority.
EU	European Union.
EUR	Euro.
FiMM	Federation of Investment Managers Malaysia.
GBP	British Pound Sterling.
HKD	Hong Kong Dollar.
JPY	Japanese Yen.
MXN	Mexican Peso.
MYR	Malaysian Ringgit.
NOK	Norwegian Krone.
OECD	Organisation for Economic Co-operation and Development.
OTC	Over-the-Counter.
PBOC	People's Bank of China.
PRC	People's Republic of China.
QFII	Qualified Foreign Institutional Investors.
RMB	Renminbi Yuan.
SAFE	State Administration of Foreign Exchange of the PRC.
SC	Securities Commission Malaysia.
SEK	Swedish Krona.
SGD	Singapore Dollar.
SSE	Shanghai Stock Exchange.
SZSE	Shenzhen Stock Exchange.
UK	United Kingdom.
US	United States of America.
USD	United States Dollar.

GLOSSARY

Act	Means the Capital Markets and Services Act 2007 as may be amended from time to time.
Ashmore Funds	Means funds managed or advised by the Target Fund Manager or the sub-managers of the Target Fund.
Base Currency	Means the currency in which the Fund is denominated i.e. USD.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading. The Manager may declare certain Business Days as non-Business Days when deemed necessary, such as (i) in the event of market disruption; (ii) if the jurisdiction of the Target Fund declares that day as a non-business day; and/or (iii) if that day is declared as a non-valuation day for the Target Fund.
China A-Shares	RMB-denominated "A" shares in mainland China-based companies that trade on Chinese stock exchanges such as the SSE and/or the SZSE.
CIBM Direct Access	Means the PRC investment program under which certain foreign institutional investors may invest, without particular license or quota, directly in RMB securities and derivatives dealt on the CIBM via an onshore bond settlement agent, after such bond settlement agent has made the relevant filings and account opening with the relevant PRC authorities, in particular the PBOC.
Class(es)	Means any number of class(es) of Unit(s) representing similar interests in the assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the Fund.
communiqué	Refers to the notice issued by the Manager to the Unit Holders.
Company	Refers to Ashmore SICAV.
CVC Capital Partners Asia Fund V	Means collectively (1) CVC Capital Partners Asia V L.P.; (2) CVC Capital Partners Investment Asia V L.P.; and (3) CVC Capital Partners Asia V Associates L.P.
Deed	Refers to the deed dated 5 March 2019 and the first supplemental deed dated 23 November 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
Depositary	Refers to the Northern Trust Global Services SE.
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
Developed Market	Means a regulated market situated in a country that is most developed in terms of its economy and capital markets and which is not an Emerging Market.
EM Supra-National	Means any supra-national entity or public international body to which two or more countries belong, typically formed through international treaties or agreement issuing in a local currency (i.e., any lawful currency of any Emerging Market provided that where such lawful currency is a hard currency then it shall be excluded) or issuing in a hard currency (i.e., any lawful currency of a G7 country and Switzerland) where repayments are linked to an Emerging Market issuer.
Emerging Market	Means any country included by the International Monetary Fund in its list of Emerging and Developing Economies, any country which is considered a low-income, lower-middle income or upper-middle income economy by the World Bank, any country which is included in an Emerging Market Index, any EM Supra-National and any other country which the Target Fund Manager determines qualifies as an emerging market.
Emerging Market Index	Refers to the relevant indices in the family of J.P. Morgan Corporate Emerging Markets Bond Index, J.P. Morgan Emerging Local Markets Index, J.P. Morgan Emerging Markets Bond Index, MSCI Emerging and Frontier Markets Index.

Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; or (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.
Fund	Means AHAM World Series – Emerging Markets Short Duration Fund *(formerly known as Affin Hwang World Series – Emerging Markets Short Duration Fund).*
G7	Refers to US, Japan, Germany, France, UK, Italy and Canada.
Guidelines	Means the *Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework* issued by the SC and as may be amended from time to time.
Hedged-class	Means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed to having invested in that Class, also known as NAV hedging method. NAV hedging is undertaken regardless of whether the Base Currency is expected to increase or decline in value relative to the hedged currency.
Information Memorandum	Means this offer document in respect of this Fund as may be replaced or amended from time to time.
Law of 2010	Means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
Licensed Bank	Means a bank licensed under the Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under the Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
Manager or AHAM	Means AHAM Asset Management Berhad.
Management Company	Refers to Ashmore Investment Management (Ireland) Limited.
medium to long term	Means a period of three (3) years and above.
Member State	Refers to a member state of the EU.
Money Market Instruments	Refers to instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, as referred to in the UCITS Directive.
NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; where the Fund has more than one Class, there shall be a NAV attributable to each Class.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point; where the Fund has more than one Class, there shall be a NAV per Unit for each Class; the NAV per Unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class divided by the number of Units in Circulation of that Class at the same valuation point.
Other Regulated Market	Means market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at

	a certain fixed frequency, (iii) which is recognised by a state or by a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public.
Other State	Refers to any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania.
Prospectus of the Target Fund	Means the offering document of the Target Fund dated 17 July 2023, as may be updated and amended from time to time.
Regulated Market	Means a regulated market as defined in the European Parliament and the Council Directive 2014/65/EU dated 15 May 2014 on markets in financial instruments, as amended ("MiFID 2"), namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that result in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly in accordance with the provisions of MiFID 2..
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Repurchase Price	Means the price payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge. *The Repurchase Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period.*
R-QFII	Means a RMB QFII approved pursuant to the R-QFII Regulations (as amended from time to time).
R-QFII Regulations	Includes (but are not limited to) (a) the "Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by the CSRC, the PBOC and the SAFE and effective from 1 March 2013; (b) the "Implementation Rules for the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by the CSRC and effective from 1 March 2013; (c) the "Circular on Issues Related to the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by SAFE and effective from 21 March 2013; (d) the "Notice of the PBOC on the Relevant Matters concerning the Implementation of the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors", issued by the PBOC and effective from 2 May 2013; and (e) any other applicable regulations promulgated by the relevant authorities.
Sales Charge	Means a charge imposed pursuant to a purchase request.
Selling Price	Means the price payable by a Unit Holder for the Manager to create a Unit in the Fund and it shall be exclusive of any Sales Charge. *The Selling Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period.*
SFTs	Refers to securities financing transactions, which are defined in the SFTR as a repurchase or reverse-repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction.
SFTR	Means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.
Stock Connect	Refers to the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the mutual market access programs through which foreign investors can deal in selected securities listed on the SSE and the SZSE through the Stock Exchange of Hong Kong and the clearing house in Hong Kong, as well as, as and when available and approved by the CSSF, similar Chinese mutual market access programs provided that the board of directors of the Company and the Depositary are both satisfied that the conditions and risks associated therewith do not differ from those in relation to the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

Sophisticated Investor	Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; (b) who acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other person as may be determined by the SC from time to time under the Guidelines. Note: For more information, please refer to our website at www.aham.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths (3/4) of the Unit Holders present and voting" means three-fourths (3/4) of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund or a Class, "Special Resolution" means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4)of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
Target Fund	Refers to Ashmore SICAV Emerging Markets Short Duration Fund.
Target Fund Manager	Refers to Ashmore Investment Management Limited.
Transferable Securities	Refers to securities such as shares and other securities equivalent to shares, bonds and other debt instruments, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges, with the exclusion of techniques and instruments.
Trustee	Refers to TMF Trustees Malaysia Berhad.
UCI	Refers to an undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	Refers to an undertaking for collective investment in transferable securities under Article 1(2) of the UCITS Directive.
UCITS Directive	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as may be amended from time to time.
Unit or Units	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund; if the Fund has more than one Class, it means a Unit issued for each Class.
Units in Circulation	Means Units created and fully paid for and which have not been cancelled. *It is also the total number of Units issued at a particular valuation point.*
Unit Holder, you	Means the person / corporation for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.
US Person	Means a US citizen or US tax resident individual (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), US corporation, US partnership, US trust or US estate for US federal income tax purposes.

Reference to first person pronouns such as "we", "us" or "our" in this Information Memorandum means the Manager/AHAM.

ABOUT AHAM WORLD SERIES – EMERGING MARKETS SHORT DURATION FUND

FUND CATEGORY	:	Fixed Income (Feeder Wholesale)	**BASE CURRENCY**	:	USD
FUND TYPE	:	Income	**FINANCIAL YEAR END**	:	31 May

DISTRIBUTION POLICY

Subject to the availability of income, the Fund endeavours to distribute income for the respective Classes in the following manner, after the end of its first financial year:

USD Class	Monthly basis
MYR Class	
MYR Hedged-class	Quarterly basis
SGD Hedged-class	
AUD Hedged-class	
GBP Hedged-class	
EUR Hedged-class	
RMB Hedged-class	

INVESTMENT OBJECTIVE

The Fund aims to provide regular income over the medium to long term period.

Any material change to the Fund's investment objective would require Unit Holders' approval.

ASSET ALLOCATION

- A minimum of 80% of the Fund's NAV to be invested in the Target Fund; and
- A maximum of 20% of the Fund's NAV to be invested in money market instruments and/or deposits.

INVESTMENT STRATEGY

The Fund will be investing a minimum of 80% of the Fund's NAV in the Target Fund and a maximum of 20% of the Fund's NAV in money market instruments and/or deposits with Financial Institutions.

We may substitute the Target Fund with another fund that has a similar objective with the Fund, if, in our opinion, the Target Fund no longer meets the Fund's investment objective. However, this is subject to the Unit Holder's approval before such change is made.

Temporary Defensive Measure

We may take temporary defensive measures that may be inconsistent with the Fund's principal strategy and asset allocation by reducing its investments into the Target Fund and raise the liquidity levels of the Fund during adverse market conditions that may impact financial markets to protect the Unit Holders' interest. In raising the Fund's liquidity levels, we may also invest in collective investment schemes that are relevant and consistent with the investment objective of the Fund. To manage the risk of the Fund, we may shift the Fund's focus into lower risk investments such as deposits with Financial Institutions or money market instruments or collective investment schemes.

Derivatives

Derivatives trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date whereas swaps is an agreement to swap or exchange two financial instruments between two parties. The intention of hedging is to preserve the value of the assets from any adverse price movements. While the hedging strategy will assist in mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.

The Fund adopts commitment approach to measure the Fund's global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund's global exposure from the derivatives position must not exceed 100% of NAV of the Fund at all times.

Cross Trades

AHAM may conduct cross trades between funds which it is currently managing provided that all criteria imposed by the regulators are met. Notwithstanding the aforesaid, cross trades between the personal account of an employee of AHAM and the Fund's account(s) and between AHAM's proprietary trading accounts and the Fund's account(s) are strictly prohibited. Compliance with the criteria would be monitored by AHAM's Compliance Unit, and reported to AHAM's compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.

PERMITTED INVESTMENTS

The Fund will invest in the following investments:

- Collective investment schemes;
- Money market instruments;
- Deposits;
- Derivatives; and
- Any other form of investments as may be determined by the Manager from time to time that is in line with the Fund's objective.

VALUATION POINT OF THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or "trading day" or "T day"). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or "T + 1 day"). All foreign assets are translated into the Base Currency based on the bid exchange rate quoted by Bloomberg or Refinitiv at 4.00 p.m. (UK time) which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

We will ensure that the valuation of the Fund is carried out in a fair manner in accordance to the relevant laws and Guidelines. We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Malaysian Financial Reporting Standard 9 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively. The valuation bases for the permitted investments of the Fund are as below:

- **Collective Investment Schemes**

  Valuation of investments in unlisted collective investment schemes shall be based on the last published repurchase price.

- **Deposits**

  Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the deposits and the interests accrued thereon for the relevant period.

- **Money Market Instruments**

  Valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

- **Derivatives**

  Valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by Bloomberg or Refinitiv. If the rates are not available on Bloomberg or Refinitiv, the FX Forwards will be valued in accordance with a fair value as determined by the Manager in good faith, using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

- **Any Other Investments**

  Fair value as determined in good faith by the Manager, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

ABOUT THE CLASSES

If you intend to invest in a Class other than MYR Class and MYR Hedged-class, you are required to have a foreign currency account with any Financial Institution as all transactions relating to the particular foreign currency will ONLY be made through telegraphic transfers.

Classes	USD Class	MYR Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class
Initial Offer Price	N/A+	N/A+	N/A+	N/A+	N/A+	GBP 0.50*	EUR 0.50*	N/A+
	*The price of Units offered for purchase during the initial offer period. +The price of Units for USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class, AUD Hedged-class and RMB Hedged-class shall be based on the NAV per Unit.							
Initial Offer Period	The initial offer period for GBP Hedged-class and EUR Hedged-class will be one (1) day which is on the launch date of the particular Class, and the launch date will be disseminated through official communication channels and communiques to the Unit Holders in the future. The initial offer period for the existing USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class, AUD Hedged-class and RMB Hedged-class has ended.							
Minimum Initial Investment*	USD 10,000	MYR 30,000	MYR 30,000	SGD 10,000	AUD 10,000	GBP 10,000	EUR 10,000	RMB 30,000
Minimum Additional Investment*	USD 5,000	MYR 10,000	MYR 10,000	SGD 5,000	AUD 5,000	GBP 5,000	EUR 5,000	RMB 10,000
Minimum Units Held*	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units
	If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your holding of Units in the Fund and pay the proceeds to you.							
Minimum Units Per Switch*	20,000 Units	60,000 Units	60,000 Units	20,000 Units	20,000 Units	20,000 Units	20,000 Units	60,000 Units
Unitholdings in Different Classes	You should note that there are differences when purchasing Units of the USD Class and other Classes in the Fund. For illustration purposes, assuming you have USD 10,000 to invest:							

Class(es)	USD Class	MYR Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class
NAV per Unit	USD 0.50	MYR 0.50	MYR 0.50	SGD 0.50	AUD 0.50	GBP 0.50	EUR 0.50	RMB 0.50
Currency exchange rate	USD 1 = USD 1	USD 1 = MYR 4	USD 1 = MYR 4	USD 1 = SGD 2	USD 1 = AUD 2	USD 1 = GBP 0.75	USD 1 = EUR 0.95	USD 1 = RMB 6
Invested amount	USD 10,000 x USD 1 = USD 10,000	USD 10,000 x MYR 4 = MYR 40,000	USD 10,000 x MYR 4 = MYR40,000	USD 10,000 x SGD 2= SGD 20,000	USD 10,000 x AUD 2 = AUD 20,000	USD 10,000 x GBP 0.75 = GBP 7,500	USD 10,000 x EUR 0.95 = EUR 9,500	USD 10,000 x RMB 6 = RMB 60,000
Units received	USD 10,000 ÷ USD 0.50 = 20,000 Units	MYR 40,000 ÷ MYR 0.50 = 80,000 Units	MYR 40,000 ÷ MYR 0.50 = 80,000 Units	SGD 20,000 ÷ SGD 0.50 = 40,000 Units	AUD 20,000 ÷ AUD 0.50 = 40,000 Units	GBP 7,500 ÷ GBP 0.50 = 15,000 Units	EUR 9,500 ÷ EUR 0.50 = 19,000 Units	RMB 60,000 ÷ RMB 0.50 = 120,000 Units

Invested amount = USD 10,000 x currency exchange rate of the Class

Units received = Invested amount ÷ NAV per Unit of the Class

By purchasing Units of the USD Class, GBP Hedged-class and EUR Hedged-class, you will receive less Units for every USD, GBP and EUR invested in the Fund (i.e. 20,000 Units, 15,000 Units and 19,000 Units respectively), compared to purchasing Units in MYR Class (i.e. 80,000

* At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to terms and conditions disclosed in the respective channels.

Classes	USD Class	MYR Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class
	Units), MYR Hedged-class (i.e. 80,000 Units), SGD Hedged-class (i.e. 40,000 Units), AUD Hedged-class (i.e. 40,000 Units) or RMB Hedged-class (i.e. 120,000 Units). Upon a voting by poll, the votes by every Unit Holder present in person or by proxy is proportionate to the value of Units held by him or her. Hence, holding more number of Units may not give you an advantage when voting at Unit Holders' meetings. You should note that in a Unit Holders' meeting to terminate the Fund, a Special Resolution will only be passed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.							

The Fund may create new Classes without having to seek Unit Holders' prior approval. You will be notified of the issuance of the new Classes by way of communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement information memorandum.

ABOUT THE FEES AND CHARGES

There are fees and charges involved and you are advised to consider them before investing in the Fund.

You should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any other applicable taxes. We (including the Trustee and other service providers) will charge any other applicable taxes on the fees, charges and expenses in accordance with any other relevant or applicable laws.

The following are the charges that may be directly incurred by you

SALES CHARGE

Up to 3.00% of the initial offer price of a Class during the initial offer period, and thereafter, on the NAV per Unit of a Class.

REPURCHASE CHARGE

Nil.

TRANSFER FEE

Nil.

SWITCHING FEE

The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.

The following are the fees and expenses that you may indirectly incur when you invest in the Fund

With the issuance of multiple Classes in this Fund, the indirect fees and/or charges for the Fund are apportioned based on the size of the Class relative to the whole Fund. This means that the multi-class ratio is calculated by taking the "*value of a Class before income & expenses"* for a particular day and dividing it with the "*value of the Fund before income & expenses"* for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

As an illustration, assuming there is an indirect fee chargeable to the Fund of USD 100 and assuming further the size of the USD Class over the size of the Fund is 60% whereas the size of the MYR Class over the size of the Fund is 40%, the ratio of the apportionment based on the percentage will be 60:40, 60% being borne by the USD Class and 40% borne by the MYR Class.

ANNUAL MANAGEMENT FEE

The management fee is up to 1.50% per annum of the NAV of the Fund, and is calculated using the Base Currency (before deducting the management fee and trustee fee). The management fee is accrued daily and payable monthly to the Manager.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is USD 120 million for that day, the accrued management fee for that day would be:

$$\frac{\text{USD 120 million x 1.50\%}}{\text{365 days}} = \text{USD 4,931.51 per day}$$

The management fee is only charged at the Fund level. The management fee chargeable by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of the management fee.

ANNUAL TRUSTEE FEE

The trustee fee is up to 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), and is calculated using the Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly to the Trustee. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is USD 120 million for that day, the accrued trustee fee for that day would be:

$$\frac{\text{USD 120 million x 0.06\%}}{\text{365 days}} = \text{USD 197.26 per day}$$

ADMINISTRATIVE FEE

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund or each Class may be charged to the Fund or each Class respectively. These would include (but are not limited to) the following:

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (Where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund;
- Costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund or commenced by either of them for the benefit of the Fund or a Class (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund); and
- Other fees and expenses related to the Fund allowed under the Deed.

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

We may impose higher fees and charges up to the following stated maximum rate, provided that we have taken the necessary procedures to increase the fees and charges.

Sales Charge	6.00% of the NAV per Unit of a Class
Repurchase Charge	1.00% of the NAV per Unit of a Class
Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily
Annual Trustee Fee	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)

REBATES AND SOFT COMMISSIONS

We or any of our delegates thereof will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission should be directed to the account of the Fund.

The soft commissions can be retained by us or any of our delegates thereof provided that:-

- the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- we or our delegates will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

ABOUT THE TARGET FUND - ASHMORE SICAV EMERGING MARKETS SHORT DURATION FUND

BASE CURRENCY	:	USD
INCEPTION DATE OF THE TARGET FUND	:	24 June 2014
COUNTRY OF ORIGIN	:	Luxembourg
REGULATORY AUTHORITY	:	Commission de Surveillance du Secteur Financier ("CSSF")

The following definitions relate to those capitalised terms which are contained specifically in this Target Fund section:

- "Corporate" means any entity that is not a sovereign or a quasi-sovereign but is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Markets.
- "Hard Currency(ies)" means any lawful currency of a G7 country.

ABOUT ASHMORE SICAV EMERGING MARKETS SHORT DURATION FUND ("the Company")

The Target Fund is a sub-fund of the Company. The Company, Ashmore SICAV, was established on 19 December 2002 as an investment company organised under Luxembourg law as a société anonyme qualifying as a société d'investissement à capital variable.

The Company, with registered office and business address at 10, rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg, is governed by Part I of the Law of 2010 and qualifies as a UCITS under Article 1(2) of the UCITS Directive, and may therefore be offered for sale pursuant to the UCITS Directive regime in European Economic Area Member States (subject to registration in countries other than Luxembourg). In addition, applications to register the Company may be made in other countries.

The registration of the Company pursuant to Luxembourg law constitutes neither approval nor disapproval by the CSSF as to the adequacy or accuracy of the Prospectus of the Target Fund or as to the assets held in the various sub-funds of the Company. Any representations to the contrary are unauthorised and unlawful.

Directors of the Company

The directors of the Company are responsible for the overall administration, control and management of the Company, including the determination of the investment objective and policies of the Target Fund. In particular, the directors of the Company are responsible for the monitoring and the overall supervision and control of the Management Company. To this effect, the board of directors of the Company may give board recommendations to the Management Company in relation to, without limitation, the structure, promotion, administration, investment management and distribution of the Company and the contents of any documentation relating to the Company (including but not limited to, the Prospectus of the Target Fund and any marketing material).

ASHMORE INVESTMENT MANAGEMENT (IRELAND) LIMITED ("the Management Company")

The directors of the Company have designated Ashmore Investment Management (Ireland) Limited to be the management company of the Company under the term of a management company services agreement dated 1 July 2019, as may be amended from time to time ("Management Company Services Agreement").

Under the terms of this agreement, the Management Company shall act as the Company's management company in the best interest of the shareholders and according to the provisions set forth by applicable law, the Prospectus of the Target Fund, the articles of incorporation of the Company and shall, in particular, be in charge of the day-to-day management of the Company under the overall supervision, control and ultimate liability of the board of directors of the Company. As such, the Management Company will perform and render without limitation: (i) investment management services, (ii) administrative agency, corporate and domiciliary agency, registrar and transfer agency services, and (iii) marketing, principal distribution and sales services.

Principal Sales Agent Services

The Company has appointed the Management Company as the principal sales agent of the Company pursuant to the terms of the Management Company Services Agreement to, inter alia, promote, market and distribute the shares of the Company in accordance with applicable laws and the Prospectus of the Target Fund.

According to the Management Company Services Agreement, the Management Company may enter into such agreements with sales agents of its choice, who may be either affiliated or unaffiliated with the Management Company, for the marketing, promotion, offer, and sale of shares of the Company, it being understood that it shall only enter into such agreements with the sales agents that satisfy such criteria as shall be agreed between the board of directors of the Company and the Management Company, in writing from time to time.

ASHMORE INVESTMENT MANAGEMENT LIMITED ("the Target Fund Manager")

In order to implement the investment policies of the Target Fund, the Management Company has delegated, under its permanent supervision and responsibility, the management of the assets of the Target Fund to Ashmore Investment Management Limited, a wholly owned indirect 100% subsidiary of Ashmore Group plc, under the terms of the discretionary investment management agreement dated 1 July 2019, as amended from time to time, between the Management Company and the Target Fund Manager ("Discretionary Investment Management Agreement") .

Pursuant to the Discretionary Investment Management Agreement, the Target Fund Manager has discretion, on a day-to-day basis and subject to the control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the Target Fund's portfolio.

The Target Fund Manager, in the execution of its duties and the exercise of its powers, shall comply with the Target Fund's investment policies and restrictions. When the Target Fund Manager has appointed a sub manager, the Target Fund Manager may at any time directly manage the Target Fund's portfolio delegated. In such case, the Target Fund Manager will ensure that the Target Fund will achieve its objective in accordance with the investment policy and investment restrictions.

The Target Fund Manager is a company incorporated in the UK and authorised and regulated by the Financial Conduct Authority. Its primary activity involves the provision of specialist emerging market investment management and advisory services to various investment vehicles and accounts.

REFERENCE CURRENCY OF THE TARGET FUND

The reference currency of the Target Fund is USD and it is anticipated that many of the Target Fund's assets will be denominated in USD. However, the currency of investments may not be the reference currency.

INVESTMENT OBJECTIVE AND INVESTMENT POLICIES OF THE TARGET FUND

The Target Fund will mainly seek to access the returns available from short term Emerging Market Transferable Securities which are debt in nature and other instruments issued by sovereigns, quasi-sovereigns and Corporates denominated exclusively in USD and Hard Currency, including also investing, within the limits set forth under the section of "Investment Restrictions of the Target Fund", in financial derivative instruments and related synthetic structures or products, such as those described below. The Target Fund normally seeks to maintain a weighted average portfolio duration of between 1 and 3 years.

There can be no assurance that the investment objective for the Target Fund will be attained.

The Target Fund is actively managed and references JP Morgan Corporate Emerging Market Bond Index Broad Diversified 1 to 3 Maturity (the "Benchmark") as part of its investment process for the purpose of comparing its performance against that of the Benchmark. The Target Fund Manager has full discretion over the composition of the portfolio of the Target Fund. While the Target Fund may hold assets that are components of the Benchmark, it can invest in such components in different proportions and it can hold assets which are not components of the Benchmark. Therefore returns may deviate materially from the performance of the specified reference Benchmark.

The Target Fund may hold cash on an ancillary basis (up to 20% of its net assets, subject to the possibility for this limit to be exceptionally and temporarily exceeded because of exceptionally unfavourable market conditions in accordance with the 'Prospectus of the Target Fund). In case of unfavourable market conditions or where it is in the best interest of shareholders of the Target Fund, the Target Fund may also invest up to 25% in Money Market Instruments and in money market UCITS or UCIs denominated in USD or other currencies and up to 20% in bank term deposits.

The Target Fund may acquire credit-linked notes in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset.

The Target Fund may also, within the limits set out under the sections of "Investment Restrictions of the Target Fund" and "Special Investment Techniques and Instruments of the Target Fund", invest in financial derivative instruments and engage in certain techniques for the purpose of hedging and efficient portfolio management, including currency forwards transactions (including deliverable and non-deliverable forwards), currency futures transactions, currency options transactions and bond options transactions, enter into forward purchase settlement transactions, interest rate swaps, total return swaps and credit default swaps. The use of such financial instruments is not expected to affect the Target Fund's over-all risk profile.

For the purposes of determining the Target Fund's global exposure relating to financial derivative instruments pursuant to item “H” of the section of "Investment Restrictions of the Target Fund", cash amounts comprised within the Target Fund's net asset value shall be used to offset and therefore reduce such exposure.

The Target Fund typically uses total return swaps in order to gain exposure to debt securities if the use of total return swaps is more efficient or otherwise advantageous to the Target Fund. Any total return swaps entered into by the Target Fund must be referenced to Emerging Market transferable debt securities or instruments or a basket of such securities or instruments.

The Target Fund’s use of, or investment in, SFTs and total return swaps will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Target Fund’s net asset value indicated below.	The principal amount of the Target Fund’s assets that can be subject to the transactions may represent up to a maximum of the proportion of the Target Fund’s net asset value indicated below.
Total return swaps and other derivatives with the same characteristics	10%	50%
Repurchase and reverse repurchase agreements	30%	50%

The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. The maximum figure is a limit.

For the avoidance of doubt, investments in both (i) total return swaps and other derivatives with the same characteristics and (ii) repurchase and reverse repurchase agreements, may not in aggregate exceed 50% of the net assets of the Target Fund. Total return swaps and SFTs may have underlying such as Emerging Market transferable debt securities or instruments or a basket of such securities or instruments. Typically, investments in such instruments are made to adjust the portfolio’s market exposure in a more cost efficient way.

The Target Fund will not enter into securities lending or borrowing transactions, buy-sell back transactions or sell-buy back transactions.

The Target Fund typically uses interest rate swaps in order to gain exposure to Emerging Markets.

The Target Fund typically uses credit default swaps in order to sell protection, which is the synthetic equivalent of buying a bond or other form of debt, or to buy protection, which is the equivalent of synthetically shorting or hedging a bond or other credit exposure. Any credit default swaps entered into by the Target Fund must be referenced to Emerging Market bonds or other forms of debt.

The Target Fund will only enter into credit default swaps where the Target Fund Manager believes at the time of the transaction that it is in the Target Fund’s interest and where the credit default swap counterparty is a credit institution of the type set forth under the section of “Investment Restrictions of the Target Fund” which has experience in such transactions.

In case of credit default swaps, the investment restrictions shall apply to the credit default swap counterparty and to the underlying reference entity.

The Target Fund issues several share classes and may issue new share classes with different features and requirements in future. The Fund will have full discretion to decide on share class of the Target Fund to invest and may switch to different share class of the Target Fund. Such decision will be made in the best interest of investors. Investors should note that the investment objective, investment strategy and risk profile of the Fund remain the same regardless of the investment of the Fund in different share class of the Target Fund.

ADDITIONAL INVESTMENT RESTRICTIONS

In addition to the limits set forth under the section of “Investment Restrictions of the Target Fund”, the Target Fund will observe the following investment restriction:

1. no borrowing is permitted;
2. margins associated with exchange derivative and futures transactions and premium associated with OTC option transaction and payable for such transactions shall not exceed 10 % of the Target Fund’s net assets;
3. investments made in units or shares of UCITS and / or UCIs may not in aggregate exceed 10% of the net asset value of the Target Fund;
4. the Target Fund may not invest more than 35% of its net assets in investments in a single Emerging Market;
5. the Target Fund may not invest in investments denominated in any currencies other than Hard Currencies.

SPECIAL INVESTMENT TECHNIQUES AND INSTRUMENTS OF THE TARGET FUND

1. General

To the extent permitted by the CSSF Circular 14/592 implementing the guidelines of the ESMA on exchange-traded funds and other UCITS issues (the “Circular 14/592“), the Target Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management and hedging purposes. The Management Company’s best execution policy covers the use of SFTs by the Target Fund and ensures that the Target Fund obtains the best possible results from such use, also taking into account the costs and fees charged to the Target Fund, if any, when executing such transactions.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Target Fund.

When these efficient portfolio management or hedging operations concern the use of financial derivative instruments, the conditions and limits shall conform to the provisions laid down in the section of "Investment Restrictions of the Target Fund".

In addition to investing in financial derivative instruments, the Company may enter into OTC derivatives transactions for two purposes:

i. for hedging; and
ii. efficient portfolio management.

Such OTC financial derivative instruments will be safe-kept with the Depositary.

Under no circumstances shall these efficient portfolio management or hedging operations cause the Target Fund to diverge from its investment objectives as laid down under the section of "Investment Objective and Investment Policies of the Target Fund" and in section 5 of the Prospectus of the Target Fund or add substantial supplementary risks.

For further details on the risks linked to such efficient portfolio management or hedging operations, please refer to the section “Specific Risk of the Target Fund” of this Information Memorandum.

Derivative transactions the Fund may enter into may include the following:

Foreign Exchange Transactions:

(a) Spot Foreign Exchange (Spot FX): A transaction providing for the purchase of one currency against the sale of another currency with a settlement on a “spot” basis, i.e. typically two business days forward.
(b) Forward Foreign Exchange (FX forward): A transaction providing for the purchase of one currency against the sale of another currency with settlement on a specified date in the future at a specified price.
(c) Foreign Exchange Option (FX Option): A transaction in which one party grants to the other (in consideration for a premium payment) the right to purchase or sell a specified amount of a given currency at a specified strike price at or until a specified date in the future.

Interest Rate Swap Transactions: A transaction in which one party pays to the other periodic amounts of a given currency based on a specified rate, and the other party pays periodic amounts of the same currency based on a specified floating rate. All calculations are based on a notional amount of the given currency.

Bond Options: A transaction in which one party grants to the other party (in consideration for a premium payment) the right to purchase or sell a bond of an issuer at a specified strike price. The bond option can be settled by physical delivery of the bonds in exchange for the strike price or may be cash settled based on the difference between the market price of the bonds on the exercise date and the strike price.

Currency Swaps: A transaction in which one party pays periodic amounts in one currency based on a specified fixed rate (or a floating rate that is reset periodically) and the other party pays periodic amounts in another currency based on a floating rate that is reset periodically. All calculations are determined on predetermined notional amounts of the two currencies; often such swaps may also involve initial and or final exchanges of amounts corresponding to the notional amounts.

Swap Options ("Swaption"): A transaction in which one party grants to the other (in consideration for a premium payment) the right to enter into a swap with certain specified terms. In some cases the swaption may be settled with a cash payment equal to the market value of the underlying swap at the time of the exercise.

Non-Deliverable Foreign Exchange Forwards: A FX Forward, sometimes involving currency that is not freely convertible, where the underlying "reference currency" is not exchanged at such future date (the "Termination Date"), but only a net amount (the "Net Amount") (typically in USD) shall be payable from one party to the other. The Net Amount will be determined based on the difference between the amount resulting from the application of the predetermined rate of exchange on the underlying reference currency, and the amount resulting from the application of the current market rate of exchange at the Termination Date.

Non-Deliverable Foreign Exchange Options: A transaction in which a party grants to the other (in consideration for a premium payment) the right to purchase or sell a specified amount of a given currency at a specified strike price at or until a specified future date. The exercise of this option transaction will result in the payment of Net Amount determined as above, and no exchange of the notional amount will take place.

Total Return Swaps ("TRS"): The Target Fund will only enter into TRS on a fully funded basis. A TRS is a transaction in which one party (the "First Party") makes an initial payment to another party (the "Second Party") equal to the value of a loan, debt security or other financial instrument (the "Reference Obligation") issued, guaranteed or otherwise entered into by a third party (the "Reference Entity") and held by or due to the Second Party. The Second Party shall pay to the First Party any interest, dividend and fee payments, as applicable, that it receives in respect of the Reference Obligation from the Reference Entity and the market value of the Reference Obligation at the maturity of the transaction (this will typically, absent default or another referenced event, be the notional amount of the Reference Obligation if the TRS is linked to the maturity of the Reference Obligation).

A TRS may provide for acceleration of its termination date upon the occurrence of one or more referenced events with respect to a Reference Entity or a Reference Obligation. This acceleration will result in termination payment being made by the Second Party to the First Party calculated by reference to the value of the Reference Obligation.

Credit Default Swaps ("CDS"): A CDS is a bilateral financial contract under which the protection buyer pays a fee, usually expressed in basis points per annum on the notional amount of the relevant contract, in return for a payment by the protection seller contingent on the occurrence of a credit event, such as a bankruptcy, default, or restructuring, with respect to a reference entity. The credit events and applicable settlement mechanism used to determine the contingent payment are negotiated between the counterparties at the time of trading. Once the credit event has been declared, the protection buyer has the right to settle the contract. Settlement is usually physical, with the protection buyer having the right to deliver debt (typically bonds) of the reference entity up to the notional amount of the contract. In return, the protection buyer receives the par value of those obligations. Selling protection is the synthetic equivalent of buying a bond or other form of debt. Buying protection is the equivalent of synthetically shorting or hedging a bond or other credit exposure.

Warrants: Warrants confer on the purchaser the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period.

The cost of this right will be substantially less than the cost of the share itself. Consequently the price movements in the share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor; the higher the leverage the more attractive the warrant. One may make comparisons or relative worth among warrants considering the premium paid for such rights and the amount of leverage imbedded in the warrants. The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Purchasers should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

Convertible Bonds: Convertible bonds confer on the purchaser the option to convert bonds into a given number/ration of shares in the underlying company at a given price.

Futures: Futures are contracts between two parties to buy or sell a specified asset of standardised quantity and quality for a price agreed upon today with delivery and payment occurring at a specified future date.

A bond future is a contractual obligation for the contract holder to purchase or sell a bond on a specified date at a predetermined price. The date and price are determined at the time the future is purchased.

An equity future is a contractual obligation where the contracted parties commit to buy or sell a specified amount of an individual equity or a basket of equities or an equity index at an agreed contract price on a specified date.

An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

2. Securities Lending and Borrowing

The Company, for the Target Fund, may enter into securities lending and borrowing transactions provided that it complies with the following rules:

i. it may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a first class financial institution from a Developed Market or an Emerging Market approved by the Target Fund Manager, that specialises in this type of transaction and that is of good reputation and with a minimum credit rating of investment grade and when required at the discretion of the Target Fund Manager at such lower rating pursuant to the Target Fund Manager's internal process;

ii. as part of lending transactions, it must in principle receive a guarantee, the value of which at the conclusion of the contract must be at least equal to the total valuation of the securities lent. This guarantee must at all times comply with the criteria in the section of "Management of collateral" below, to reduce the counterparty risk exposure associated therewith;

   Such a guarantee shall not be required if the securities lending is made through recognised clearing institutions or through any other organisation assuring to the lender a reimbursement of the value of the securities lent by way of a guarantee or otherwise;

iii. it will ensure that the volume of the securities lending and borrowing transactions is kept at an appropriate level and that it is able at any time to recall any securities lent or terminate any securities lending agreement into which it has entered in a manner that enables it, at all times, to meet its redemption obligations.

iv. the securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments which enable it to reinstate the borrowed securities at the close of the transaction.

v. it may only borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period when the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; and (c) to avoid a failed settlement when the Depositary fails to make delivery.

At the date of the Prospectus of the Target Fund, the Company does not engage in any securities lending and borrowing transactions. In the event the Target Fund engages in securities lending and borrowing transactions, the Prospectus of the Target Fund will be updated accordingly.

3. Repurchase Agreement Transactions

The Company, for the Target Fund, may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Company, for the Target Fund, can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

i. it may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution from a Developed Market or an Emerging Market subject to prudential supervision rules considered by the CSSF as equivalent to those provided by community law and approved by the Target Fund Manager, that specialises in this type of transaction and that is of good reputation and with a minimum credit rating of investment grade and when required at the discretion of the Target Fund Manager at such lower rating pursuant to the Target Fund Manager's internal process;

ii. during the life of a repurchase agreement contract, it cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent it has borrowed similar securities in compliance with the provisions set forth above in respect of securities borrowing transactions;

iii. where the Target Fund is exposed to redemptions of its own shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations;

iv. when entering into a reverse repurchase agreement, it must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the net asset value of the Target Fund;

v. fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

The Company, for the Target Fund, intends to enter into repurchase agreement transactions on a regular basis as further described in and permitted by the Prospectus of the Target Fund. In particular, repurchase agreements may be entered into to meet extraordinary short-term cash funding requirements or to lend bonds which are trading in demand in the repo and cash markets, offering higher returns compared to similar securities for yield enhancement purposes.

When entering into repurchase agreement transactions, the Target Fund will generally seek to reinvest the cash collateral received in eligible financial instruments that provide greater return than the financial costs incurred when entering into the repurchase agreement transaction. Reverse repurchase agreements are generally considered for purposes of managing temporary excess cash balances as per the Target Fund Manager’s treasury policy.

The Target Fund may incur transactions costs in connection with repurchase and reverse repurchase agreements similar to transactions costs applying to any kind of investments made by the Target Fund. Information on the transactions costs incurred by the Target Fund in this respect, as well as the identity of the counterparties to these transactions and any affiliation they may have with the Depositary, the Target Fund Manager or the Management Company, if applicable, will be available in the annual report of the Company.

All revenues arising from repurchase and reverse repurchase at rate agreed upfront between the Target Fund and the counterparty to these transactions (i.e. financial credit institutions) will be returned to the Target Fund.

4. Total Return Swaps

The Target Fund will use funded and unfunded total return swaps and derivatives with similar characteristics to gain exposure to underlying assets that the Target Fund is otherwise permitted to gain exposure to by its investment policy. In addition, the Target Fund will use these types of instruments to gain a long or short exposure to make a profit or avoid a loss on certain bonds or other instruments that provide bond related returns.

The Target Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The Company may pay fees and costs, such as brokerage fees and transaction costs, to agents or other third parties for services rendered in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into such swaps or other instruments and/or any increase or decrease of their notional amount, and/or out of the revenues paid to the Target Fund under such swap or other instruments, as compensation for their services. Fees may be calculated as a percentage of revenues earned by the Company through the use of such swaps or other instruments. If the Target Fund makes use of such swaps or other instruments, additional information on revenues earned through the use of such swaps or other instruments, the fees and costs incurred in this respect as well as the identity of the counterparties to these transactions and any affiliation they may have with the Depositary, the Target Fund Manager or the Management Company, if applicable, will be available in the annual report of the Company.

Additional considerations relating to the use of SFTs:

Repurchase, including reverse repurchase, transactions and total return swaps will be entered into depending on the market opportunities and in particular depending on the market demand and on the Target Fund Manager’s view, for the securities held in the Target Fund at any time and the expected revenues of the transaction compared to the market conditions on the investment side. As such, there is no restriction on the frequency under which the Target Fund may engage into such type of transactions.

5. Management of Collateral

General

In the context of OTC financial derivative transactions and efficient portfolio management techniques, the Target Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. The Company however reserves the right to amend or remove the list of eligible collateral, change its haircut policies or revise its list of authorised counterparties if it considers it to be in the best interest of shareholders.

All assets received by the Target Fund in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section. Such collateral will be safe-kept with the Depositary.

The risk exposure to a single counterparty of the Target Fund arising from OTC financial derivative transactions and efficient portfolio management techniques will be combined when calculating the counterparty risk limits foreseen under item C (9) of the section of "Investment Restrictions of the Target Fund" below.

The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by the Company, for the Target Fund, are selected from a list of authorised counterparties established with the Target Fund Manager. The counterparties will be first class institutions from a Developed Market or an Emerging Market which are either credit institutions or investment firm, which are subject to prudential supervision and specialised in the relevant type of transaction, being of good reputation and with a minimum credit rating of investment grade and when required at the discretion of the Target Fund Manager at such lower rating pursuant to the Target Fund Manager's internal process. The annual report of the Company will contain details of (i) the identity of such counterparties, (ii) the underlying exposure obtained through financial derivative transactions, and (iii) the type and amount of collateral received by the Target Fund to reduce counterparty exposure.

Eligible Collateral

Collateral received by the Target Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

All collateral obtained under an OTC financial derivative transaction and efficient portfolio management techniques shall comply with the following criteria at all times:

i. any collateral received other than cash collateral shall be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

ii. any collateral received shall comply with the provisions of item C (b) of the section of "Investment Restrictions of the Target Fund" below;

iii. the collateral shall be valued on a daily basis pursuant to the provisions of the section of "Determination of the Net Asset Value of Shares" in the Prospectus of the Target Fund;

iv. collateral which exhibits high price volatility shall not be accepted unless suitably conservative haircuts are in place;

v. in terms of issuer credit quality the collateral received shall be of high quality;

vi. the collateral shall be issued by an entity that is independent from the counterparty in an OTC financial derivative transaction or an efficient portfolio management technique and is expected not to display a high correlation with the performance of such counterparty;

vii. the collateral (including any re-invested cash collateral) must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Target Fund receives from a counterparty to efficient portfolio management and OTC financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Target Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, the Target Fund may be permitted to hold as collateral securities issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong for up to 100% of its net asset value, provided that it holds securities from at least six different issues, securities from any single issue not accounting for more than 30% of the Target Fund's net asset value. To the extent the Target Fund intends to make use of such derogation, it will list the Member States, local authorities, or public international bodies issuing or guaranteeing securities which it is able to accept as collateral beyond the 20% limit as stated in the Prospectus of the Target Fund;

viii. where there is a title transfer, the collateral received shall be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;
ix. non-cash-collateral shall not be sold, re-invested or pledged;
x. the collateral received must be capable of being fully enforced at any time.

Subject to the abovementioned conditions, collateral received by the Target Fund may consist of:
(a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
(b) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
(c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
(d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
(e) bonds issued or guaranteed by first class issuers offering adequate liquidity with maturities falling in three sub-sets: (i) bonds less than 1 year maturity, (ii) bonds with maturities from 1 to 5 years and (iii) bonds with maturities greater than 5 years;
(f) shares admitted to or dealt in on a Regulated Market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Level of Collateral

The Company will determine the required level of collateral for OTC financial derivative transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in the Prospectus of the Target Fund and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Haircut Policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts for each asset class taking into account the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests under normal and exceptional liquidity conditions.
The following minimum haircuts are applied:

Collateral Instrument Type	**Haircut**
Cash	0%
Government Bonds	1%*
Non-Government Bonds	5%*
Others	To be determined on a case by case basis

**These may vary depending on the maturity period of the security.*

Reinvestment of Cash Collateral

As the case may be, cash collateral received by the Target Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objective and limits of the Target Fund, and in compliance with the requirements of the CSSF 14/592, as described below:

- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- invested in high-quality government bonds;
- used for reverse repurchase transactions under which the cash is recallable at any time;
- invested in short-term money market funds as defined in the Committee of European Securities Regulators' Guidelines 10-049 of 19 May 2010 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

INVESTMENT RESTRICTIONS OF THE TARGET FUND

The board of directors of the Company shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for the Target Fund, the reference currency of the Target Fund and the course of conduct of the management and business affairs of the Company.

Except to the extent that more restrictive rules are provided for in connection with the Target Fund as described in the Prospectus of the Target Fund, the investment policy shall comply with the rules and restrictions laid down hereafter.

A. Investments in the Target Fund shall comprise only one or more of the following:

(a) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;

(b) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;

(d) recently issued Transferable Securities and Money Market Instruments, provided that:

1. the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, a stock exchange in an Other State or on an Other Regulated Market as described under (a)-(c) above;
2. such admission is secured within one year of issue;

(e) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in a Member State or in an Other State, provided that:

1. such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in community law, and that cooperation between authorities is sufficiently ensured (currently all Member States; all European Free Trade Association member states (this includes Iceland, Liechtenstein, Norway and Switzerland), Isle of Man, Jersey, Guernsey, the US, Canada, Hong Kong, Singapore and Japan);
2. the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
3. the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
4. no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in community law;

(g) financial derivative instruments, i.e. in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (a), (b) and (c) above, and/or financial derivative instruments dealt in OTC ("OTC derivatives’"), provided that:

(i) the underlying consists of instruments covered by this section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to its investment objectives;

(ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

(iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

(iv) under no circumstances shall these operations cause the Target Fund to diverge from its investment objectives;

(h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

1. issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
2. issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (a), (b) or (c) above; or

3. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by community law; or
4. issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

B. The Target Fund may however:

(a) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (a) through (d) and (h);

(b) hold cash up to 20% of its net assets on an ancillary basis in order to enable the payment of fees and expenses, the settlement of redemption of shares, or the investment in eligible assets as set out under A.(a)-(h) and B(a), or for a period of time strictly necessary in case of unfavourable market conditions, or any other purposes which may reasonably be regarded as ancillary.

The board of directors of the Company may decide to exceptionally and temporarily exceed the limit of 20% for a period strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach of limit is justified having regard to the interests of the shareholders. Examples of such circumstances include, without being exhaustive, highly serious circumstances such as terrorist attacks (like the attacks on 11 September 2001), the systematic distress or failure of important financial institutions (like the bankruptcy of Lehman Brothers in 2008), and restrictive measures and policies imposed by governments in response to public emergencies (like the lockdowns which were enforced globally in response to the Covid-19 pandemic);

(c) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction;

(d) acquire foreign currency by means of a back-to-back loan.

C. In addition, the Target Fund shall comply with the following investment restrictions per issuer:

(a) Risk Diversification Rules

For the purpose of calculating the restrictions described in (1) to (5) and (7) hereunder, companies which are included in the same group of companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described under items (1) to (5), (7) to (8) and (11) to (13) hereunder.

- Transferable Securities and Money Market Instruments

1. The Target Fund may not purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
   i. upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
   ii. the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
2. The Target Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same group of companies.
3. The limit of 10% set forth above under (1) (i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
4. The limit of 10% set forth above under (1) (i) is increased up to 25% in respect of covered bonds as defined in article 3(1) of Directive (EU) 2019/2162 of 27 November 2019 on the issue of covered bonds and covered public supervision, and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order

to protect the bondholders The proceeds from the issue of such bonds must be invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that the Target Fund invests more than 5% of its net assets in bonds issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of the Target Fund.

5. The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1) (ii).
6. Notwithstanding the ceilings set forth above, the Target Fund, if and when permitted by the articles of incorporation of the Company, is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member state of the OECD or the Group of twenty (G20), by the Republic of Singapore, by the Hong Kong Special Administrative Region of the PRC or by a public international body of which one or more Member State(s) are member(s), provided that (i) the Target Fund holds in its portfolio securities from at least six different issues and (ii) the securities from any issue do not account for more than 30% of the net assets of the Target Fund.

- Bank Deposits

7. The Target Fund may not invest more than 20% of its net assets in deposits made with the same body.

- Derivative Instruments

8. The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Target Fund's net assets when the counterparty is a credit institution referred to in A (f) above or 5% of its net assets in other cases.
9. Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (7), (8), (12) and (13). When the Target Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (7), (8), (12) and (13).
10. When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (g) (iv) above and (D) (1) below as well as with the risk exposure and information requirements laid down in the Prospectus of the Target Fund.

- Units of Open-Ended Funds

11. Where the Target Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or the Target Fund Manager or by any other company with which the Management Company or the Target Fund Manager is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or the Target Fund Manager or the other company may not charge subscription or redemption fees on account of the Target Fund’s investment in the units of such other UCITS and/or UCIs.

- Combined limits

12. Notwithstanding the individual limits laid down in (1), (7) and (8) above, the Target Fund may not combine:
    - investments in Transferable Securities or Money Market Instruments issued by,
    - deposits made with, and/or
    - exposures arising from OTC derivative transactions undertaken with

    a single body in excess of 20% of its net assets.

13. The limits set out in (1), (3), (4), (7), (8) and (12) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (7), (8) and (12) above may not exceed a total of 35% of the net assets of the Target Fund.

(b) Concentration Limits

14. The Company may not acquire such amount of shares carrying voting rights which would enable the Company to exercise a significant influence over the management of the issuer.
15. The Target Fund may acquire no more than:
    i. 10% of the outstanding non-voting shares of any one issuer;
    ii. 10% of the outstanding debt securities of any one issuer;
    iii. 10% of the Money Market Instruments of any one issuer; or
    iv. 25% of the outstanding shares or units of any one UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (14) and (15) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that Other State, (ii) pursuant to the laws of that Other State a participation by the Target Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that Other State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (7), (8) and (11) to (15); and
- shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

D. In addition, the Target Fund shall comply with the following investment restrictions per instrument:

1. The Target Fund shall ensure that its global exposure relating to derivative instruments and, to the extent required by applicable laws and regulations, other efficient portfolio management techniques does not exceed the total net value of its portfolio, as further described under section (I) below.
2. Investments made in units of UCIs may not in aggregate exceed 30% of the net assets of the Target Fund.

E. Finally, the Target Fund shall comply with the following investment restrictions:

1. The Target Fund may not acquire commodities or precious metals or certificates representative thereof.
2. The Target Fund may not invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
3. The Target Fund may not use its assets to underwrite any securities.
4. The Target Fund may not issue warrants or other rights to subscribe for shares in the Target Fund.
5. The Target Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent the Target Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (e), (g) and (h).
6. The Target Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (e), (g) and (h).
7. Direct investments in China A-Shares and other RMB-denominated permissible securities that trade on Chinese stock exchanges shall be made through Ashmore's R-QFII Quota or via Stock Connect. If and as applicable, the disclosure in the Prospectus of the Target Fund will be updated accordingly if the Target Fund invests directly more than 25% of its net assets in China A-Shares and other RMB-denominated securities that trade on Chinese stock exchanges.
8. Direct investments in debt securities traded on the CIBM or the China exchange traded bond market on the Shanghai or Shenzhen stock exchanges shall, as and when required, be made through Ashmore's R-QFII quota or via CIBM Direct Access. If and as applicable, the disclosure in the Prospectus of the Target Fund will be updated accordingly if the Target Fund invests directly more than 25% of its net assets in debt securities traded on the China inter-bank bonds market or the China exchange traded bond market on the Shanghai or Shenzhen stock exchanges.
9. With effect from 11 November 2019, the Target Fund may invest an ancillary portion of its assets in Developed Markets.

F. Notwithstanding anything to the contrary herein contained:

1. The ceilings set forth above may be disregarded by the Target Fund when exercising subscription rights attaching to securities in the Target Fund's portfolio.
2. If such ceilings are exceeded for reasons beyond the control of the Target Fund or as a result of the exercise of subscription rights, the Target Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its shareholders.

The board of directors of the Company has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where shares of the Company are offered or sold.

G. Investment by the Target Fund within one or more other Sub-Funds

The Target Fund may subscribe for, acquire and/or hold shares issued by one or several other sub-fund(s) (the "Target Sub-Fund(s)") under the following conditions:

- the Target Sub-Fund does not, in turn, invest in the shares of the Target Fund;
- no more than 10% of the assets of the Target Sub-Fund may be invested in aggregate in shares of other sub-funds of the Company;
- the voting right linked to the share class of the Target Sub-Fund acquired by the Target Fund are suspended during the period of investment by the Target Fund in the shares of the Target Sub-Fund;
- in any event, for as long as such shares in a Target Sub-Fund are held by the Target Fund, their value will not be taken into consideration for the calculation of the net asset value of the Target Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law of 2010; and
- there will be no duplication of management/subscription or repurchase fees between those at the level of the Target Fund and the Target Sub-Fund and which will be dealt with in accordance with the policy set out in section "Fees to be paid to the Investment Manager" of the Prospectus of the Target Fund.

H. Global Exposure

The Management Company uses a risk management process which enables it to monitor and measure the exposure of the Target Fund to market, liquidity and counterparty risks, including operational risks, which are material for the Target Fund.

The Management Company will calculate the global exposure of the Target Fund by using either the commitment approach or the Value-at-Risk (VaR) methodology depending on the assessment of the risk profile of the Target Fund resulting from its policy (including but not limited to its potential use of financial derivative instruments and features thereof) in accordance with the relevant European and/or Luxembourg applicable laws and/or regulations. In the interest of the shareholders, the Company has determined that the Management Company will, as a default, use the commitment approach to monitor and measure the global exposure of the Target Fund unless otherwise provided for with respect to the Target Fund. This approach measures the global exposure related to positions on financial derivative instruments and, to the extent required by applicable laws and regulations, other efficient portfolio management techniques which, unless otherwise provided for with respect to the Target Fund, may not exceed the total net value of the portfolio of the Target Fund.

The global exposure, when it is calculated via the commitment approach, takes into account the current market value of the equivalent position in the underlying assets, after deduction of potential hedging and netting effects to the extent permitted by the applicable laws and regulations.

This shall also apply to the following paragraphs.

The Target Fund may invest, according to its investment policy and within the limit laid down in the section of "Investment Restrictions of the Target Fund" in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in the section of "Investment Restrictions of the Target Fund".

When the Target Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in the section of "Investment Restrictions of the Target Fund".

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

FEES AND CHARGES OF THE TARGET FUND

Initial Charge	Up to 5.00% per annum of the net asset value per share of the Target Fund.
Redemption Charge	Not applicable
Management Fee	Up to 1.30% per annum of the net asset value of the Target Fund. ***Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.***

TEMPORARY SUSPENSION OF ISSUES, REDEMPTIONS AND CONVERSIONS OF SHARES OF THE TARGET FUND

The Management Company may suspend the determination of the net asset value per share of one or more classes of shares of the Target Fund, and the issue, redemption and conversion of its shares:

(a) when the principal exchanges or regulated markets that supply the prices of a material portion of the assets of the Target Fund's investments are closed when they would normally be open, or their trading is restricted or suspended or the information or calculation sources normally used to determine a material portion of the net asset value of the Target Fund are unavailable or for any other reason, the prices or values of a material portion of the assets of the Target Fund cannot be accurately or promptly ascertained;

(b) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of the Company or the Target Fund, or which is required to calculate the net asset value of the Target Fund;

(c) when exchange, capital transfer or other restrictions prevent the execution of transactions of the Company or the Target Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;

(d) when exchange, capital transfer or other restrictions prevent the repatriation of assets of the Company or the Target Fund for the purpose of making payments on the redemption of shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;

(e) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevents the Company from being able to manage the assets of the Company or the Target Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;

(f) when there is a suspension of the net asset value calculation and/or of the issue, redemption or conversion rights by the investment fund(s) in which the Company or the Target Fund is invested;

(g) in the event of a notice to shareholders convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Company or informing them about the termination and liquidation of the Target Fund or class of shares of the Target Fund, and more generally, during the process of liquidation of the Company, the Target Fund or class of shares of the Target Fund;

(h) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction; and

(i) during any period when the dealing of the shares of the Company or the Target Fund or class of shares of the Target Fund on any relevant stock exchange where such shares are listed is suspended or restricted or closed.

The fees of the administrator of the Company, Management Company, the Target Fund Manager and the Depositary will continue to accrue during the period of suspension and will be calculated by reference to the last valuation prior to the suspension coming into effect.

The issue, redemption and conversion of shares in one or more classes of the Target Fund will be suspended for any period during which the determination of the net asset value per share of the class or the Target Fund is suspended by virtue of the powers described above. Any redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the administrator of the Company or the relevant sales agent before the end of such suspension period. Should such withdrawal not be effected, the shares of the Target in question shall be redeemed/converted on the first valuation day of the Target Fund following the termination of the suspension period. Investors who have requested the issue, redemption or conversion of shares of the Target Fund shall be informed of such suspension when such request is made. In the event where such suspension period exceeds a certain period determined by the Management Company, all shareholders of the class of the Target Fund concerned shall be informed.

This Information Memorandum describes the features of the Target Fund in accordance with the Prospectus of the Target Fund and we recommend that this Information Memorandum should be read in conjunction with the Prospectus of the Target Fund which is available at the business address of the Manager. We take all reasonable efforts to ensure the accuracy of the disclosure in this Information Memorandum in relation to the Target Fund, including obtaining the confirmation from the Target Fund Manager. However, in the event of any inconsistency or ambiguity in relation to the disclosure, including any word or phrase used in this Information Memorandum regarding the Target Fund as compared to the Prospectus of the Target Fund, the Prospectus of the Target Fund shall prevail.

UNDERSTANDING THE RISKS OF THE FUND AND THE TARGET FUND

Below are the risks associated with the investments of the Fund and the Target Fund.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not possible to protect investments against all risks. You are recommended to read the whole of this Information Memorandum to assess the risks associated to the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

	GENERAL RISKS OF THE FUND
Market risk	Market risk arises because of the factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. Market risk cannot be eliminated but may be reduced through diversification. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
Fund management risk	This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant laws or guidelines due to factors such as human error, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
Performance risk	This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.
Inflation risk	This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Loan / Financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed / financed money includes you being unable to service the loan / financing repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan/financing.
Operational risk	This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you. The Manager will review its internal policies and system capability to mitigate instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.
Suspension of repurchase request risk	Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be

	GENERAL RISKS OF THE FUND
	determined or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The exceptional circumstances may include, amongst other, suspension of dealing by the Target Fund. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.
Related party transaction risk	The Fund may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.

	SPECIFIC RISKS OF THE FUND
Concentration risk	This Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions. We are also able to substitute the Target Fund with another fund with similar objective of the Fund if, in our opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval. For better understanding of the risks associated with the Target Fund, please refer to the "*General Risks of the Target Fund*" and "*Specific Risks of the Target Fund*" below.
Liquidity risk	This is the risk that the shares of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of shares of the Target Fund. The Target Fund Manager may suspend the realisation of shares of the Target Fund, or delay the payment of realisation proceeds in respect of any realisation request received, during any period in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in a timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, we will maintain sufficient liquidity level for the purposes of meeting repurchase requests. Please refer to the "*Suspension of Dealing in Units*" section of this Information Memorandum for more details.
Counterparty risk	Counterparty risk is the risk associated with the ongoing ability and willingness of the issuers to derivatives ("Investments") to fulfill their respective financial commitments to the Fund in a timely manner. Bankruptcy, fraud or regulatory non-compliance arising out of and/or in connection with the issuer may impair the operations and/or the performance of the Fund. However, we will conduct stringent credit selection process of the issuer of the Investments prior to commencement of Investments and monitoring mechanisms established by us may potentially mitigate this risk. If, we are of the opinion there is material adverse change to an issuer, we may consider unwinding the issuer's Investments to mitigate potential losses that may arise.
Country risk	Investments of the Fund in the Target Fund which is domiciled in Luxembourg may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of Luxembourg. For example, the deteriorating economic condition of that country may adversely affect the value of the investments undertaken by the Fund and in turn may cause the NAV of the Fund to fall.
Currency risk	As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated (other than USD) depreciate against the Base Currency,

	SPECIFIC RISKS OF THE FUND
	this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gain or loss arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. ***Currency risk at the Fund level*** The impact of the exchange rate movement between the Base Currency and the currency of the underlying investments of the Fund (other than in USD) may result in a depreciation of the value of the investments as expressed in the Base Currency. ***Currency risk at the Class level*** The impact of the exchange rate movement between the Base Currency and the currency of the respective Classes (other than USD Class) may result in a depreciation of your holdings as expressed in the Base Currency. ***Currency risk at the Hedged-class level*** Currency hedging reduces the effect of exchange rate movements for the Hedged-class, but it does not entirely eliminate currency risk between the Hedged-class and the Base Currency (not a perfect hedge). Hence, the unhedged portion of the respective Hedged-class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the respective Hedged-class. You should note, however, that if the exchange rate moves favourably, the Hedged-class would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum investment size of entering into a forward contract and the cost of hedging which may affect returns of the respective Hedged-class.
Target Fund Manager risk	The Target Fund (which the Fund invests in) is managed by the Target Fund Manager. It is important to note that the Manager has no control over the investment management techniques and operational controls of the Target Fund. Thus, mismanagement of the Target Fund (i.e. breach of its prescribed investment restriction due to human error) may negatively affect the Fund (as an investor of the Target Fund). Should such a situation arise, the Manager may propose to invest in other alternative collective investment schemes that is consistent with the investment objective of the Fund provided always that the approval of the Unit Holders has been obtained.

	GENERAL RISKS OF THE TARGET FUND
General Risk Consideration	An investment in the Company involves certain risks. The investments within the Target Fund are subject to the risk that the net asset value per share of the Target Fund will fluctuate in response to changes in economic conditions, interest rates, and the market's perception of the securities held by the Target Fund; accordingly, no assurance can be given that the investment objectives of the Target Fund will be achieved. The shares are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or conversions in and out of the Company. This is known as "dilution". In order to counter this and to protect shareholders' interests, Northern Trust Global Services SE ("the Administrator"), upon instruction from the Management Company will apply "swing pricing" as part of its valuation policy. This will mean that in certain circumstances (as further described in the Prospectus of the Target Fund) the Administrator, upon instruction from the Management Company, will make adjustments in the calculation of the net asset values per share of the Target Fund, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

Described below are certain risk factors peculiar to investing in Emerging Markets. These require consideration of matters not usually associated with investing in securities of issuers or financial derivative instruments linked to securities of issuers in the Developed Markets. The economic and political conditions differ from those in Developed Markets, and may offer less social, political and economic stability. The absence in many cases, until relatively recently, of any move towards capital markets structures or to a free market economy means investing in these countries is more risky than investing in Developed Markets. These risks are likely to exist to a greater or lesser degree in most of the markets in which the Company may invest.

	SPECIFIC RISKS OF THE TARGET FUND
Political and economic risks	The value of shares and the income generated by the Company may be affected by uncertainties in Emerging Markets such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. The ability of the Company to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger portions of the Company's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect the Company's investments and the ability of the Company to achieve its investment objectives.
Regulatory risk	The issuers or assets in which the Company may invest may be or become subject to unduly burdensome and restrictive regulation affecting commercial freedom and this in turn may have an adverse impact on the value of the Company and therefore the value of the shares. Over-regulation may therefore be a form of indirect nationalisation.
Credit risk	Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation. With respect to the Company's trading of securities, repurchase agreements and forward contracts on a principal basis, the Company will be subject to the risk of the inability or refusal to perform with respect to such transactions on the part of issuers of securities, such as commercial paper, and the principals with whom the Company trades. Any such failure or refusal whether due to insolvency, bankruptcy or other causes, could subject the Company to substantial losses. The Company will be exposed to the credit risk of the counterparties with which, or the brokers and dealers and exchanges through which, they deal, whether the Company engages in exchange-traded or off-exchange transactions. In the case of any insolvency or failure of any such party, the Company might recover, even in respect of property specifically traceable to it, only a pro rata share of all property available for distribution to all of such party's creditors and/or customers. Such an amount may be less than the amount owed to the Company.
Nature of investments and market risks	The investments which may be made by the Company carry risks not usually associated with investing in securities or financial derivative instruments in more Developed Markets. The Company is likely to experience greater price volatility and lower liquidity than if invested in more Developed Markets. With nascent capital markets in many of the Emerging Markets in which the Company may invest, there are often difficulties in meeting investor demand for the available debt securities. This can lead to primary issues and auctions of debt securities being oversubscribed. The Target Fund may be invested in securities listed on the Moscow Exchange (including the Moscow Interbank Currency Exchange and the Russian Trading System stock exchange). Whilst securities traded on the Moscow Exchange are treated as investments in securities dealt in on a Regulated Market, the Russian securities market is subject to particular risks, some of which may result in a lack of market efficiency and liquidity, which may cause higher price volatility and market disruptions. Investments in Russia are subject to other significant risks, including with regard to ownership and custody of securities as well as counterparty exposure.

	SPECIFIC RISKS OF THE TARGET FUND
	The Target Fund Manager may seek to invest in USD or other freely convertible currency denominated debt securities or financial derivative instruments so that the Company is exposed to the relevant Emerging Market albeit through a freely convertible currency and not the Emerging Market local currency. Alternatively, the Target Fund Manager may elect to invest in Emerging Market denominated debt securities or Emerging Market local currency financial derivative instruments. Debt obligations acquired by the Company may have no credit rating or a low rating. Such securities may involve greater risks of loss of income and principal than rated or higher-rated securities and are more speculative in nature. Although they may offer higher yields than do higher-rated securities, they generally involve greater price volatility and greater risk of default in payment of principal and income. The use of products such as credit-linked notes and swaps can overcome problems and mitigate certain risks associated with direct investment in the underlying obligations. Such products expose the Company to counterparty and other risks (as summarised below). No assurance can be given that investments acquired by the Company will continue to earn yields comparable to those earned historically, nor can any assurance be given that issuers whose obligations the Company acquires will make payments on such obligations as they become due. The securities in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in debt and money market securities and instruments. The value of such securities and the income therefrom, and therefore the value of shares of the Target Fund, can go down as well as up and an investor may not get back the amount invested.
Lack of market economy	Businesses in the Emerging Markets where the Company will invest either directly or indirectly may only have a recent history of operating within a market-oriented economy or under the pressures imposed by developing countries. In general, relative to companies operating in developed economies, companies in these Emerging Markets are characterised by a lack of (i) experienced management, (ii) modern technology and (iii) a sufficient capital base with which to develop and expand their operations. It is unclear what will be the effect on companies, if any, of attempts to move towards more market-oriented economies.
Counterparty risk, underlying investment	The products, including credit linked notes and swaps referenced to underlying securities, instruments, baskets or indexes, in which the Company may hold, are subject to both counterparty risk and the risks inherent in the underlying investment. The counterparty risk lies with each party with whom the Company contracts for the purpose of making investments (the “counterparty”) and, where relevant, the entity in the Emerging Market with whom the counterparty has made arrangements to ensure an on-shore presence in the Emerging Market. The underlying investment risk lies with the sovereign or corporate entity against which payments made under the product are referenced. The Company may not be entitled to assert any rights directly against the entity in the Emerging Market whom it does not have a contractual relationship and will be reliant upon the counterparty’s ability to assert its rights in the relevant Emerging Market.
Liquidity of investments	Investments which the Company may make may be less liquid than investments made in more Developed Markets. However, the Company will always maintain an adequate level of liquidity which will enable it to comfortably meet its redemption requirements.
Settlement risk	Because of the underdeveloped state of the legal, banking and telecommunications systems that may exist in certain Emerging Markets, concerns may arise in relation to settlement, clearing and registration of transactions in securities. Neither the Target Fund Manager nor the Depositary or any of their agents can make any representation or warranty about, or any guarantee of, the operation, performance, settlement, clearing and/or registration of investments or the credit risks associated with dealing in any investments which the Company may make.

	SPECIFIC RISKS OF THE TARGET FUND
Custody risk	Custody services in many Emerging Markets remain undeveloped and, although the Depositary and the Target Fund Manager will endeavour to put into place control mechanisms, including the selection of agents to register investments on behalf of the Company and regular audits of entries on relevant registers to ensure that the Company's interests continue to be recorded, there is a transaction and custody risk of dealing in Emerging Market investments. Although the Depositary will, so far as is possible, satisfy itself that each agent selected to provide for the safe custody of investments is fit and proper and that arrangements are in place to safeguard the interests of shareholders, the Depositary and the Target Fund Manager will not be liable for the acts or omissions of any agent, nor for any losses suffered by the Company as a result of the fraud, negligence, wilful default or the bankruptcy or insolvency of any agent. The Company may therefore have a potential exposure on the default of any agent and, as a result, many of the protections which would normally be provided to an investment fund by a trustee, custodian or agent will not be available to the Company. In certain circumstances, as a result of market practice, law or regulation in many Emerging Markets, the Depositary will discharge its regulatory obligations by effecting supervision over assets in which the Target Fund has invested directly and the title to which has been registered in the name of the Target Fund so as to seek to prevent the sale, transfer, exchange, assignment or delivery of any such asset to a third party without the Depositary's prior consent. In spite of such controls, the registration of assets in the name of the Company in respect of the Target Fund may mean that such assets may not be as well protected from a concerted fraud against the Company than if such assets had been registered in the name of the Depositary or its sub-custodian or the asset had been held in an account in a central securities depositary over which the Depositary or its sub-custodian had control. **It must be appreciated that the Company will be investing either directly or indirectly in Emerging Markets where the current law and market practice carries fewer safeguards than in more Developed Markets and that the Depositary and the Target Fund Manager can accept no liability for losses resulting from the Depositary and the Target Fund Manager acting in accordance with such practice.**
Possible business failures	The insolvency or other business failure of any one or more of the Company's investments could have an adverse effect on the performance and ability to achieve its objectives. Many of the target investment countries have enacted or are in the process of enacting laws on the insolvency of enterprises, but there is as yet no significant level of experience in how these laws will be implemented and applied in practice. The lack of generally available financing alternatives for companies in many of the target investment countries increases the risk of business failure.
Accounting practice	Accounting standards in the Emerging Markets where the Company may invest may not correspond to International Accounting Standards in all material respects. In addition, auditing requirements and standards differ from those generally accepted in the international capital markets and consequently information which would be available to investors in developed capital markets is not always obtainable in respect of companies in such countries.
Quality of information	Investors in the Emerging Markets where the Company may invest generally have access to less reliable or less detailed information, including both general economic data and information concerning the operations, financial results, capitalisation and financial obligations, earnings and securities of specific enterprises. The quality and reliability of information available to the Company may, therefore, be less than in respect of investments in developed countries. Obligations on companies to publish information are also more limited, thus further restricting opportunities for the Target Fund Manager to carry out due diligence. At present the Target Fund Manager will be obliged to make investment decisions and the Management Company investment valuations on the basis of financial information that will be less complete and reliable than that customarily available in more developed countries. Also, the quality and reliability of official data published by the government and government agencies are generally not equivalent to that of more developed countries.

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Legal risks	The rate of legislative change in certain of the Emerging Markets where the Company may invest may be rapid and the content of proposed legislation when eventually adopted into law can often be difficult or impossible to predict. Such proposed legislation may have an adverse effect on foreign investment. It is similarly difficult to anticipate the impact of legislative reforms on securities in which the Company will invest. Although there is often significant political support for legislative change to bolster and facilitate the movement to a more Developed Market economy, it is not certain that legislation when enacted will advance this objective either consistently or in a coherent manner. In some cases, the magnitude of the changes taking place has resulted in a lack of confidence in the courts to give clear and consistent judgements. Legislation can be published by a variety of governmental bodies and remaining up to date and in complete compliance with legal rules and standards can often be difficult.
Taxation	Tax law and practice in the Emerging Markets in which the Company may invest is not as clearly established as that of more developed nations. It is possible therefore that the current interpretation of the law or understanding of practice may change or, indeed, that the law may be changed with retrospective effect. Accordingly, it is possible that the Company could become subject to taxation in the Emerging Markets in which the Company may invest that is not anticipated either at the date of the Prospectus of the Target Fund or when investments are made, valued or disposed of. In addition, in certain Emerging Markets where the Company may invest, the domestic tax burden is high and the discretion of local authorities to create new forms of taxation has resulted in a proliferation of taxes, in some cases imposed or interpreted retrospectively.
Exchange and currency risk	Some of the currencies in which the securities held by the Company are denominated or which the financial derivative instruments are linked to, may not be freely convertible. The Emerging Market local currencies may therefore be convertible into other currencies only inside the relevant Emerging Market where the limited availability of such other currencies may tend to inflate their values relative to the Emerging Market local currency in question. Such internal exchange markets can therefore be said to be neither liquid nor competitive. In addition, many of the currencies of Emerging Markets in which the Company may invest have experienced steady devaluation relative to freely convertible currencies, such as the USD. The value of an investment in the Company, whose shares are denominated in USD, Euro, GBP, DKK, NOK, SEK, CHF, JPY, MXN, CAD, SGD, HKD or AUD and whose distributions will be paid in USD, Euro, GBP, DKK, NOK, SEK, CHF, JPY, MXN, CAD, SGD, HKD or AUD will be affected by fluctuations in the value of the underlying currency of denomination of the Company's investments against the USD, Euro, GBP, DKK, NOK, SEK, CHF, JPY, MXN, CAD, SGD, HKD or AUD or by changes in exchange control regulations, tax laws, withholding taxes and economic or monetary policies. In addition shares of the BRL Class will be affected by fluctuations between USD and Reais. The Emerging Market local currencies in which the Company may be invested, from time to time, may experience substantially greater volatility against the USD, Euro, GBP, DKK, NOK, SEK, CHF, JPY, MXN, CAD, SGD, HKD or AUD than the major convertible currencies of developed countries. Adverse fluctuations in currency exchange rates can result in a decrease in the net return and in a loss of capital. Accordingly, investors must recognise that the value of shares can fall as well as rise for this reason as can the ability to generate sufficient income to pay a distribution, if any, in USD, Euro, GBP, DKK, NOK, SEK, CHF, JPY, MXN, CAD, SGD, HKD or AUD. The Target Fund Manager may attempt to mitigate the risks associated with currency fluctuations by entering into hedging transactions, including forward, futures, swaps and options contracts to purchase or sell the currency of denomination of any investment held by the Company and any other currencies held by the Company or on securities, to the extent such contracts are available on acceptable terms. Investors should realise that such contracts may not be available in all of the currencies in which the Target Fund Manager may invest from time to time and may in the event of major market disruptions or for other reasons be unenforceable.

	SPECIFIC RISKS OF THE TARGET FUND
Emerging markets risk	Emerging Markets carry risks as well as rewards. The Company invests in Emerging Markets, which may be more volatile than more mature markets and the operational risks of investing are higher than in developed markets. The Fund's investment could go down as well as up. Stress testing is one of the measures considered as part of product's design and is used to estimate the potential impact to a fund's mark to market performance in a period of market stress. By its nature, these estimates typically rely on judgement and modelling assumptions and given the range of potential outcomes in the future, the actual impact to a fund's performance can be significantly greater or smaller. Based on stress testing results, the Company may incur significant mark to market adverse performance and in extreme circumstances this could result in a total loss of the Fund's investment. Because of the risks involved, investment in the Company is only suitable for investors who have experience of volatile products, understand the risks involved and are able to bear the loss of a substantial portion or even all of the money they invest in the Company. As a result of these risks investors are strongly advised to seek independent professional advice on the implications of investing in the Company. The issuers of the instruments in which the Company may invest or the instruments themselves may be or become subject to unduly burdensome and restrictive regulation affecting commercial freedom and this in turn may have an adverse impact on the net asset value of the Company and therefore the value of the shares. Over-regulation may therefore be a form of indirect nationalisation.
Investment in China	<u>**PRC Specific Risks**</u> ***PRC Political, Economic and Social Risks***: Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the assets of the Target Fund. Investors should also note that any change in the policies of the government and relevant authorities of the PRC may adversely impact the securities markets in the PRC as well as the performance of the Target Fund. ***PRC Economic Risks***: The economy in the PRC has experienced significant and rapid growth in the past 20 years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the markets of the PRC and therefore on the performance of the Target Fund. ***Legal System of the PRC***: The legal system of the PRC is based on written laws and regulations. However, because many of these laws and regulations, especially those that affect the securities market, are relatively new and evolving, the enforceability of such laws and regulations is uncertain. Such regulations also empower the relevant Chinese authorities to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the PRC legal system develops, there can be no assurance that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of PRC companies which may issue RMB securities to be invested by the Target Fund. ***Government control of currency conversion and future movements in exchange rates:*** Currently, the RMB is traded in two markets, i.e. one in the PRC, and one outside the PRC (primarily in Hong Kong). While the RMB traded outside the PRC, the CNH, is subject to different regulatory requirements and is more freely tradable, the RMB traded in the PRC, the CNY, is not a freely convertible currency and is subject to

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	foreign exchange control policies of and repatriation restrictions imposed by the central government of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of mainland China. If such policies or restrictions change in the future, the position of the Target Fund or its shareholders may be adversely affected. Generally speaking, the conversion of CNY into another currency for capital account transactions is subject to SAFE approvals. Such conversion rate is based on a managed floating exchange rate system which allows the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY will not depreciate and that its exchange rate will not fluctuate widely against the USD or any other foreign currency in the future. While both CNY and CNH represent RMB, they do not necessarily have the same exchange rate and their movement may not be in the same direction. Any divergence between CNH and CNY may adversely impact investors who intend to gain exposure to CNY through investments in the Target Fund. ***Development of the PRC bond market***: Investors should note that the securities markets in the PRC generally and the PRC bond markets in particular are both at a developing stage and the market capitalisation and trading volume may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes in the PRC's debt markets may result in prices of securities traded on such markets fluctuating significantly, and may result in substantial volatility in the net asset value of the Target Fund. The national regulatory and legal framework for capital markets and debt instruments in the PRC are still developing when compared with those of developed countries. Currently, PRC entities are undergoing reform with the intention of increasing liquidity of debt instruments. However, the effects of any development or reform on the PRC's debt markets remain to be seen. ***Accounting and Reporting Standards***: PRC companies which may issue RMB securities to be invested by the Target Fund are required to follow PRC accounting standards and practices which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.
R-QFII system risks	*R-QFII Regulations*: Under current Chinese laws and regulations, investments in the Chinese domestic securities market can only be made by or through holders of a QFII licence, a R-QFII licence, Stock Connect or CIBM Direct Access, subject to applicable Chinese regulatory requirements. The R-QFII regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e. the CSRC, the SAFE and the PBOC. Such rules and regulations may be amended from time to time and include, but are not limited to the R-QFII Regulations. The R-QFII Regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. *R-QFII Quota*: The Target Fund Manager has obtained a R-QFII license and, subject to SAFE's and PBOC's approvals, may allocate R-QFII investment quotas (the "Ashmore's R-QFII Quota") to the Target Fund. Following the obtaining of such R-QFII quota, the Target Fund Manager may, subject to any applicable regulations, apply for an increase of its R-QFII quota to the extent is has utilised its entire initial R-QFII Quota. There can however be no assurance that additional R-QFII quota can be obtained. On the other hand, the size of the quota may generally be reduced or cancelled by the relevant Chinese authorities if the R-QFII is unable to use its R-QFII quota effectively within one (1) year since the quota is granted. Also, regulatory sanctions may be imposed on

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	R-QFIIs if the latter (or the R-QFII local custodian – please see "PRC Custodian Risks" below) breach any provision of the R-QFII Regulations, which could potentially result in the revocation of the R-QFII quota or other regulatory sanctions that may impact on the portion of the Ashmore's R-QFII Quota made available for investment by the the Target Fund. Should the Target Fund Manager lose its R-QFII status or its investment quota is revoked or reduced, the Target Fund may no longer be able to invest directly in China or may be required to dispose of its investments in the Chinese domestic securities markets held through the Ashmore's R-QFII Quota, which could have an adverse effect on its performance or result in a significant loss. *Investment Restrictions and Repatriation Risks*: the Target Fund may be impacted by the rules and restrictions under the R-QFII Regulations (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. The SAFE regulates and monitors the repatriation of funds out of the PRC by R-QFIIs pursuant to the R-QFII Regulations. Repatriations by R-QFIIs in respect of an open-ended R-QFII fund (as defined under R-QFII Regulations), such as the Target Fund, conducted in RMB are currently conducted daily and are not subject to repatriation restrictions or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the ability of the Target Fund to meet redemption requests from its shareholders. In extreme circumstances, the Target Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to R-QFII investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades. *PRC Custodian Risks*: The Target Fund Manager (in its capacity as a R-QFII) and the Depositary have appointed HSBC Bank (China) Company Limited as custodian (the "R-QFII Local Custodian") to maintain the assets of the Target Fund in custody in the PRC, pursuant to relevant laws and regulations. Onshore PRC securities shall be registered in the name of "the full name of the Target Fund Manager – the name of the Target Fund" in accordance with the relevant rules and regulations, and maintained by the R-QFII Local Custodian in electronic form via a securities account with the CSDCC and cash shall be maintained in a cash account with the R-QFII Local Custodian. The Depositary will make arrangements to ensure that the R-QFII Local Custodian has appropriate procedures to properly safe-keep the assets of the Target Fund, in accordance with applicable requirements, including maintaining records that clearly show that the respective assets of the Target Fund are recorded in the name of the Target Fund and segregated from the other assets of the R-QFII Local Custodian. Investors should however note that cash deposited in the cash account of the Target Fund with the R-QFII Local Custodian will not be segregated but will be a debt owing from the R-QFII Local Custodian to the Target Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the R-QFII Local Custodian. In the event of bankruptcy or liquidation of the R-QFII Local Custodian, the Target Fund will not have any proprietary rights to the cash deposited in such cash account, and the Target Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the R-QFII Local Custodian. The Target Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Target Fund will suffer losses. Also, the Target Fund may incur losses due to the acts or omissions of the R-QFII Local Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. *PRC Brokerage Risk*: The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the Target Fund Manager. There is a risk that the Target Fund may suffer losses, whether direct or consequential, from the default or bankruptcy of the PRC Broker or disqualification of the same from acting as a broker. This may adversely affect the Target Fund in the execution or settlement of any transaction or in the transfer of any

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	funds or securities. Reasonably competitive commission rates and prices of securities will generally be sought to execute the relevant transactions in PRC markets. It is possible that, in circumstances where only a single PRC Broker is appointed where it is considered appropriate to do so by the Target Fund Manager, the Target Fund may not necessarily pay the lowest commission or spread available, but the transaction execution will be consistent with best execution standards and in the best interest of its shareholders. Notwithstanding the foregoing, the Target Fund Manager will seek to obtain the best net results for the Target Fund, taking into account such factors as prevailing market conditions, price (including the applicable brokerage commission or dealer spread), size of order, difficulties of execution and operational facilities of the PRC Broker involved and the PRC Broker's ability to position efficiently the relevant block of securities.
RMB fixed income securities risk	***Credit Risk***: The Target Fund is subject to the risk that the issuers of the fixed income securities are unable or unwilling to make timely principal and/or interest payment, or to honour their obligations. An issuer's ability to service debt may be adversely affected by an economic recession and adverse political and social changes in general as well as business, financial and other situations particular to such issuer. If the issuer(s) of the fixed income securities in which the Target Fund invests defaults, the performance of the Target Fund will be adversely affected. The financial market of the PRC is at an early stage of development, and most of the fixed income securities that the Target Fund may invest in are and may be unrated. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the fixed income securities, the net asset value of the Target Fund will be adversely affected and investors may suffer a substantial loss as a result. The Target Fund may also encounter difficulties or delays in enforcing their rights against the issuers of fixed income securities as such issuers may be incorporated outside the jurisdiction in which the Target Fund has been authorized or registered and subject to foreign laws. Fixed income securities are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of fixed income securities only after all secured claims have been satisfied in full. The Target Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor. The Target Fund may invest in fixed income securities which may or may not be of investment grading. Such securities are typically unsecured debt obligations, which are not supported by any collateral. The Target Fund will be fully exposed to the credit and/or insolvency risk of its counterparties as an unsecured creditor. RMB denominated deposits in which the Target Fund may invest are unsecured contractual obligations of the credit institutions where such deposits are held. The Target Fund would be an unsecured creditor and be exposed to the credit/insolvency risk of such credit institutions. ***Credit Rating Risk***: Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. As the credit ratings of the debt instruments in which the Target Fund may invest are largely assigned by the credit agencies in the PRC, the methodologies adopted by the local rating agencies might not be consistent with the other international rating agencies. As a result, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies. To the extent the Target Fund invests in higher yield debt instruments, the Target Fund's success in achieving its respective investment objective may depend more heavily on the Target Fund Manager's creditworthiness analysis than if it invested exclusively in higher-quality and better rated securities. ***Downgrade Risk***: Downgrade risk is the risk that the credit rating of an issuer or a debt instrument may subsequently be downgraded or even fall below investment grade due to changes in the financial strength of an issuer or changes in the credit rating of a debt instrument. Downgraded securities, and securities issued by issuers

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	whose ratings may be downgraded, may be subject to higher risks, as they could be subject to higher volatility, liquidity and credit risk. In the event of downgrading in the credit ratings of a debt instrument or an issuer relating to a debt, the investment value in such security may be adversely affected. The Target Fund Manager may or may not be able to dispose of the debt instruments that are being downgraded. The Target Fund may continue to hold such investment, and higher risks may result. Shareholders may suffer substantial loss of their investments in the Target Fund. ***Interest Rate Risk***: Fixed income securities (such as bonds) are more susceptible to fluctuation in interest rates and may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes. If the debt securities held by the Target Fund fall in value, the Target Fund value will also be adversely affected. On the other hand, shorter term debt securities are less sensitive to interest rate changes than longer-term debt securities. However, this also means that shorter-term debt securities usually offer lower yields. The Target Fund is not principal guaranteed and the purchase of a share in the Target Fund is not the same as investing directly in RMB debt income instruments or placing RMB funds on deposit with a bank. Changes in macro-economic policies of PRC, such as the monetary and fiscal policy, will have an influence over capital markets which may cause changes to market interest rates, affecting the pricing of the bonds and thus the return of the Target Fund. ***Liquidity Risk***: The price at which the RMB fixed income securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spread of the price of RMB fixed income securities may be high, and the Target Fund may therefore incur significant trading costs and may even suffer losses when selling such investments. While such RMB fixed income securities are traded on markets where trading is conducted on a regular basis, certain extraordinary events or disruption events may lead to a disruption or suspension of trading on such markets. There is also no guarantee that market making arrangements will be in place to make a market and quote a price for all RMB fixed income securities. In the absence of an active secondary market, the Target Fund may need to hold the RMB fixed income securities until their maturity date. If sizeable redemption requests are received, the Target Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Target Fund may suffer losses in trading such instruments. ***Valuation Risk***: Valuation of the investments made by the Target Fund may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the net asset value of the Target Fund may be adversely affected. The risk of mispricing or improper valuation and possibility that the debt instruments do not always perfectly track the value of securities they are designed to track can result in increased payments to counterparties or a loss in the value of the Target Fund. In the event of changing market conditions or other significant events, positive or negative impact could be larger. ***CIBM Risks***: The CIBM is an OTC market outside the two main stock exchanges in the PRC, on which institutional investors trade sovereign, government and corporate bonds on a one-to-one quote-driven basis. The CIBM is regulated and supervised by the PBOC, which inter alia establishes listing, trading, functioning rules applying to the CIBM and supervises the market operators of the CIBM. The CIBM facilitates two trading models: (i) bilateral negotiation and (ii) click-and-deal. Under the China Foreign Exchange Trading System' system, the unified trading platform for the CIBM, negotiation is applied to all inter-bank products while one-click trading is only applied to cash-bonds and interest rate derivatives. The main debt instruments traded in the CIBM include government bonds, bond repo, bond lending, PBOC bills, and other financial debt instruments. Bond transactions must be conducted by way of bilateral trading through independent negotiations and be concluded on a per transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be

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	determined independently by the parties to the transaction. Both parties to a transaction shall typically, in accordance with the contract, promptly send instructions for delivery of bonds and funds, and shall have sufficient bonds and funds for delivery on the agreed delivery date. The CSDCC will deliver bonds on time according to the instructions matching with elements sent by both parties to a transaction and clearing banks will handle the appropriation and transfer of bond transaction funds on behalf of participants in a timely manner. The market-maker mechanism was officially introduced in 2001 to improve market liquidity and enhance efficiency. Deals through market making can enjoy benefits such as lower trading and settlement costs. Investors should further be aware that trading on the CIBM exposes the Target Fund to increased counterparty and liquidity risks.
CIBM Direct Access risks	The CIBM Direct Access is the PRC investment program revised in 2016 under which certain foreign institutional investors such as the Target Fund may invest, without particular license or quota, directly in RMB fixed income securities dealt on the CIBM via an onshore bond settlement agent (the "Bond Settlement Agent"), which will have the responsibility for making the relevant filings and account opening with the relevant PRC authorities in particular the PBOC. ***CIBM Direct Access rules and regulations***: Participation in the CIBM Direct Access by foreign institutional investors (such as the Target Fund) is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e. the PBOC and the SAFE. Such rules and regulations may be amended from time to time (with retrospective effect) and include (but are not limited to): i. the "Announcement (2016) No 3" issued by the PBOC on 24 February 2016; ii. the "Implementation Rules for Filing by Foreign Institutional Investors for Investment in Interbank Bond Markets" issued by the Shanghai Head Office of PBOC on 27 May 2016; iii. the "Circular concerning the Foreign Institutional Investors' Investment in Interbank bond market in relation to foreign currency control" issued by SAFE on 27 May 2016; and iv. any other applicable regulations promulgated by the relevant authorities. The CIBM Direct Access rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the CIBM Direct Access rules and regulations will not be abolished in the future. The Target Fund may be adversely affected as a result of any such changes or abolition. ***Restrictions to Remittances and Repatriations Risk***: Foreign investors (such as the Target Fund) may remit investment principal in RMB or foreign currency into the PRC for investing in the CIBM under the CIBM Direct Access. The Target Fund will need to remit investment principal matching at least 50% of its anticipated investment size within nine (9) months after filing with the PBOC, or else an updated filing will need to be made through the onshore Bond Settlement Agent. Where the Target Fund repatriates funds out of the PRC, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into PRC, with a maximum permissible deviation of 10%. However, to the extent an outward repatriation is in the same currency as the inward remittance the Currency Ratio restriction will not apply. Certain restrictions may be imposed by the PRC authorities on investors participating in the CIBM Direct Access and/or the Bond Settlement Agent which may have an adverse effect on the Target Fund liquidity and performance. Repatriations conducted in RMB are currently permitted daily and are not subject to repatriation restrictions (such as lock-up periods) or prior approval, although authenticity and compliance reviews will be conducted, and reports on remittances and repatriations

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	will be submitted to the relevant PRC authorities by the Bond Settlement Agent. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Furthermore, as the Bond Settlement Agent's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Bond Settlement Agent in case of non-compliance with the CIBM Direct Access rules and regulations. Any restrictions imposed in the future by the PRC authorities, or rejection or delay by the Bond Settlement Agent, on repatriation of the invested capital and net profits may impact on the Target Fund's ability to meet redemption requests from the shareholders. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Target Fund Manager's control. In order to participate in the CIBM Direct Access, the Target Fund Manager filed an application through the Bond Settlement Agent to the PBOC, specifying among other things the anticipated volume of investment to be made through the CIBM Direct Access. In the event the anticipated volume of investment is reached, a further filing for an increase will need to be made through the Bond Settlement Agent with the PBOC. There can be no assurance that such increase will be accepted by the PBOC which may result in a need to close the Target Fund investing through the CIBM Direct Access to further subscriptions. ***Securities and cash accounts***: Onshore PRC securities are registered in accordance with the relevant rules and regulations, and maintained by the Bond Settlement Agent in electronic form via a securities account with the China Central Depository & Clearing Co /Shanghai Clearing House and onshore cash will be maintained on a cash account with the Bond Settlement Agent. A separate filing for the Target Fund wishing to invest through the CIBM Direct Access will be made to the PBOC to allow the individual beneficial ownership of the Target Fund to be identified. Beneficial ownership of RMB securities acquired through CIBM Direct Access has been acknowledged in the FAQ published by the PBOC on 30 May 2016, and by the PRC authorities in the context of RQFII and Stock Connect in the past in relation to other products. Beneficial ownership is however an untested concept in the PRC. Investors should note that cash deposited in the cash account of the Target Fund with the Bond Settlement Agent will not be segregated but will be a debt owing from the Bond Settlement Agent to the Target Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Bond Settlement Agent. In the event of bankruptcy or liquidation of the Bond Settlement Agent, the Target Fund will not have any proprietary rights to the cash deposited in such cash account, and the Target Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the Bond Settlement Agent. The Target Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Target Fund will suffer losses. ***Bond Settlement Agent Risk***: There is a risk that the Target Fund may suffer losses, whether direct or consequential, from: (i) the acts or omissions in the settlement of any transaction or in the transfer of funds or securities by the Bond Settlement Agent; or (ii) the default or bankruptcy of the Bond Settlement Agent; or (iii) the disqualification of the Bond Settlement Agent from acting in such capacity either on a temporary or permanent basis. Such acts, omissions, default or disqualification may also adversely affect the Target Fund in implementing its investment strategy or disrupt the operations of the Target Fund, including causing delays in the settlement of any transaction or the transfer of any funds or securities in the PRC or in recovering assets, which may in turn adversely impact the net asset value of the Target Fund. In addition, the PBOC is vested with the power to impose regulatory sanctions if the Bond Settlement Agent violates any provision of the CIBM Direct Access rules. Such sanctions may adversely impact on the investment by the Target Fund through the CIBM Direct Access.

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PRC tax risk	***General***: By investing in securities issued by tax residents in the PRC (including without limitation China A-Shares and bonds), the Target Fund may be subject to withholding and other taxes in the PRC, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties (the "Arrangement"). Such taxes may reduce the income from, and/or adversely affect the performance of the Target Fund. Shareholders of the Target Fund may, depending on their own circumstances, be subject to PRC tax or taxes in other jurisdictions. It cannot be guaranteed that taxes paid at the level of the Target Fund will be attributable to any shareholders of the Target Fund for personal tax purposes. The current tax laws, regulations and practice in China may change in the future with retrospective effect. ***Corporate Income Tax ("CIT")***: The Target Fund will be managed in such a manner that the Target Fund should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with a permanent establishment ("PE") in the PRC for CIT law purposes, although this cannot be guaranteed. *(a)* *Withholding Tax ("WHT")*: Unless a specific exemption / reduction is applicable, the Target Fund's income from interests and other profit distributions sourced from the PRC is generally subject to PRC WHT. The general WHT rate applicable is 10%. Such WHT may reduce the income from, and/or adversely affect the performance of the Target Fund. Nonetheless, the CIT law has exempted income tax on interest derived from government bonds. *(b)* *Capital Gains Tax*: There is a risk that the relevant PRC tax authority may impose a capital gain tax on unrealised and realised gains from dealings in PRC securities and bonds and this will have an impact on the net asset value of the Target Fund, as further described below. Gains realized through Shanghai/Shenzhen-Hong Kong Stock Connect on any transfer of China A-Share investments are temporarily exempted from the PRC WHT. Gains realized by R-QFII on any transfer of China A-Share investment on and after 17 November 2014 are temporarily exempted from the PRC WHT. For capital gains realized through routes other than Shanghai/Shenzhen-Hong Kong Stock Connect and gains realized by R-QFII before 17 November 2014, the Target Fund Manager has sought professional tax advice on the PRC capital gains tax status of the Target Fund. Pursuant to this advice, for Luxembourg residents that have no PE in the PRC: - capital gains derived from (i) RMB denominated corporate, government and non-government bonds as well as (ii) alienation of less than 25% of China A-Shares issued by PRC resident companies which are not "land rich companies" may, pursuant to the Arrangement, be exempted from the PRC WHT, subject to the approval of the PRC tax authorities. The Company has obtained a Luxembourg Tax Resident Certificate ("LTRC") from the fiscal authorities in Luxembourg certifying that the Company is resident in the Grand-Duchy of Luxembourg within the meaning of the double tax treaty between Luxembourg and China. In accordance with the professional tax advice received by the Target Fund Manager, no provision will be made for PRC capital gains tax on the unrealised and realised capital gains derived from such investments. Nonetheless, the risk that the PRC tax authority would respect the tax resident status of the R-QFII license holder and/or the Company for the purposes of applying the above applicable tax relief cannot be removed. It is also uncertain how the PRC tax authority will apply their guidance when determining if a Chinese share represents an equity interest in a "land rich company". For these purposes, a company is land rich when over 50% of the share value consists directly or indirectly of immovable property situated in the PRC. In determining whether a Chinese company derives its value largely from immovable property, liabilities of the Chinese company are to be disregarded (the "gross asset approach"). Furthermore, the determination of whether the 50% threshold is met should be made using the values of the Chinese company's assets as recorded in the

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	financial statements prepared in accordance with PRC GAAP. However, the value attributed to land and land use rights should not be lower than the fair market value of comparable adjacent or similar land and land use rights. The methodology adopted by the Target Fund Manager in identifying whether or not PRC resident companies are "land rich companies" has been agreed and accepted by independent tax advisor. However, in light of the uncertainty on the WHT treatment on such capital gains and in order to meet this potential tax liability for capital gains, the Target Fund Manager reserves the right to provide for WHT on such gains or income and withhold the tax for the account of the Target Fund. It should however be noted that there are uncertainties in relation to the Target Fund Manager's determination of WHT provisions, including: - the Arrangement may be changed in the future and the Target Fund may ultimately be required to pay WHT on capital gains; - even if the Target Fund Manager, in accordance with the independent professional tax advice, believes that the Target Fund should be eligible for the above WHT exemptions, the PRC tax authorities may ultimately hold a different view; - due to the limitation to the availability of the public information in the PRC (e.g. in respect of the market value of land and land use rights), the information to be adopted by the PRC tax authorities in assessing 'land rich companies" may be different from the information used by the Target Fund Manager in assessing the same which may result in different conclusion by the Target Fund Manager for some China A-Share companies to those of the PRC tax authorities. For the above reasons, any WHT provision on capital gains made by the Target Fund Manager for the account of the Target Fund may be less than the Target Fund's actual tax liabilities. It should also be noted that there is a possibility of the PRC tax rules being changed and taxes being applied retrospectively. In view of the above uncertainties, investors should note that the level of provision made by the Target Fund Manager for the account of the Target Fund may be inadequate to meet actual PRC tax liabilities on investments made by the Target Fund. Consequently, investors may be disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their shares. If the actual tax levied in the PRC is higher than that provided for by the Target Fund Manager for the account of the Target Fund so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Target Fund may be lowered, as the Target Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact shares in issue at the relevant time, and the then existing shareholders and subsequent shareholders will be disadvantaged as such shareholders will bear, through the Target Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Target Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made, in which case those shareholders who have already redeemed their shares before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision. The Target Fund Manager, acting in the best interest of shareholders, will review and assess the WHT provisioning approach on an on-going basis. Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules or further changes to tax law or policies, the Target Fund Manager, will as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. The exact amount of provision for WHT will be disclosed in the annual and semi-annual reports of the Company. ***Value Added Tax ("VAT")***: Unless a specific exemption / reduction as further described below is applicable, the Target Fund's income from interests and other profit distributions, and realized gains sourced from the PRC is generally subject to

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	PRC VAT. The general VAT rate applicable is 6%. Such VAT may reduce the income from, and/or adversely affect the performance of the Target Fund. a) PRC VAT should be levied on bonds interest. The current PRC VAT regulations grant exemption on the government bond interest. b) Gains realized through Shanghai/Shenzhen-Hong Kong Stock Connect on any transfer of China A-Share investments are temporarily exempted from PRC VAT. c) Gains realized by foreign investment institutions recognized by PBOC from China Domestic Currency Market are treated as qualified gains from transfer of financial products which are exempted from PRC VAT. d) Gains realized by R-QFII on any transfer of China A-Shares investments are exempted from PRC VAT. ***Local Levies ("LL")***: LL is imposed on top of the PRC VAT payable. LL generally includes Urban Maintenance and Construction Tax at 1%, 5% or 7% (based on different locations) of the PRC VAT payable, Education Fees at 3% of the PRC VAT payable, Local Education Fees at 2% of the PRC VAT payable. Apart from the abovementioned local levies, there may be other surcharges imposed by the PRC local tax authorities of different jurisdictions. ***Legal and Regulatory Uncertainties***: The interpretation and applicability of existing PRC tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in the PRC may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the shares in the Target Fund. There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be promulgated in the future will not adversely impact the tax exposure of the Target Fund and/or its shareholders.
Investment in India	***Indian Rupee Repatriation Risk***: The Target Fund investing in the Indian market may convert principals and profits denominated in Rupee back to the Target Fund in its reference currency and repatriate out of India. If so, such amounts are fully repatriable subject to payment of applicable tax (withholding tax on interest income and capital gains tax) and submission of tax consultant's certificate. While the Target Fund will appoint a local sub-custodian in India, the Depositary will take responsibility for the local sub-custodian in India or any other sub-custodian appointed in place of an earlier sub-custodian (on account of cancellation of the custodian license of the earlier sub-custodian or any other reasons as agreed with the earlier sub-custodian). The exchange rate used for converting principals and/or profits denominated in Rupee back to the reference currency of the Target Fund and repatriating out of India will be determined based on market rates on the day the currency is converted. In case of redemption of shares of the Target Fund, the valuation date for the redeeming shareholder of the Target Fund will precede the conversion date by several days, which will expose the remaining shareholders of the Target Fund to currency risk and potential losses in case of depreciation of the Rupee between the valuation date and the conversion date. An official exchange rate is released by the Reserve Bank of India ("RBI") every working day. Currently, there are no regulations/restrictions imposed on foreign institutional investors (FIIs)/sub-accounts under Indian laws, which restrict repatriation of funds by the FIIs/sub-accounts. Investments made by FIIs/sub-accounts in Indian securities are on fully repatriable basis. The RBI has extended the same treatment to foreign portfolio investors as well. ***Investment in India pursuant to a FPI license***: Where the Target Fund invests in Indian securities, it will be subject to certain Indian legal and regulatory requirements. Foreign investment in securities issued by Indian companies is regulated under the Foreign Exchange Management Act, 1999 ("FEMA") and by the RBI. The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside

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	India Regulations, 2017 (the "Securities Regulations") issued under the FEMA establish various investment routes available to persons resident outside India (a "Non-Resident"), such as the Target Fund, seeking to make investments in securities issued by Indian companies. Any investment made by a Non-Resident shall be subject to the entry routes, sectoral caps or the investment limits, as the case may be, and the attendant conditionalities for such investment as laid down under the Securities Regulations. A Non-Resident may invest in an Indian company under the Foreign Direct Investment regime, Foreign Portfolio Investment regime and Foreign Venture Capital Investor regime. The SEBI (Foreign Portfolio Investors) Regulation, 2019 ("FPI Regulations") were notified by the Securities and Exchange Board of India ("SEBI") on 23 September 2019. A foreign portfolio investor ("FPI") has been defined as a person who satisfies the eligibility criteria prescribed under Regulation 4 of the FPI Regulations and has been registered under Chapter II of the FPI Regulations. FPIs are categorized into two categories as defined in the FPI Regulations, Category I and Category II. An entity proposing to register as an FPI must make an application to the designated depository participant in a form prescribed under the FPI Regulations for one of the categories mentioned above. An FPI is required to satisfy certain conditions in order to be eligible for a registration including good track record, professional competency and various criteria linked to residency status. An FPI registration once granted is permanent unless cancelled or suspended by SEBI or surrendered by the FPI. FPIs are obliged, under the terms of the undertakings and declarations made by them at the time of registration, to immediately notify the SEBI or the designated depository participant (as the case may be) of any change in the information provided in the application for registration. Failure by FPIs to adhere to relevant legislative provisions and regulatory rules and the FPI Regulations renders them liable for, amongst other matters, imposition of a penalty and suspension or cancellation of the certificate of registration. Pursuant to the FPI Regulations, FPIs are generally permitted to invest in Indian securities without the prior approval of the RBI or SEBI. However, the total outstanding investments cannot exceed the FPI investment limits as prescribed by SEBI and RBI which may be revised from time to time (the "FPI Investment Limits"). Therefore, investments made by the Target Fund in such instruments in India will be subject to such restrictions as may be notified by SEBI from time to time. The variability of such FPI Investment Limits may pose a risk to the Target Fund. The Target Fund Manager will monitor the investments of the Target Fund to ensure they do not exceed the FPI Investment Limits. In accordance with the requirements of SEBI and the RBI, the sub-custodian appointed by the Depositary in India is also required to monitor that investments of the Target Fund do not reach the FPI Investment Limits. ***Substantial Investment in India***: Redemptions from the Target Fund investing substantially in the Indian market will be subject to Indian Rupee Repatriation Risk. In particular, large redemptions may enhance the impact of this risk on the Target Fund. Investors should be aware of the below potential impacts of local Indian market rules and conditions on the repatriation of currency required to meet redemptions, in particular: i. For a redeeming shareholder, the Target Fund's repatriation of currency from India may be subject to delays which are outside of the Company's control. This may result in delays in the payment of redemption proceeds beyond the Target Fund's standard settlement terms, subject to the requirements of the Regulations. ii. For remaining shareholders, the Target Fund's repatriation of currency from India will expose the Target Fund to currency risk which may result in losses to the Target Fund. Where possible, the Target Fund may mitigate this risk (for example, via currency hedging), however there is no guarantee that this will be successful.

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	Capital gains tax: Capital gains realised from the sale of direct investments in India listed securities may be subject to capital gains tax in India, whose rate may vary according to certain criteria, including the duration of the investment concerned. The expense accrual for Indian capital gain taxes involves significant judgement and uncertainty as to the taxes that will ultimately be owed by the Target Fund given changing market conditions, trading activity, the different rate structure between long and short term gains, and the netting of investment losses. Where the Target Fund has a material investment in India listed securities and the future disposition of such securities may result in material capital gain taxes, an estimate of the potential tax liability is included in the net asset value price of the Target Fund. Such estimate may turn out to be excessive or insufficient to settle the final tax liabilities in India and can cause dilution to shareholders in the Target Fund, depending on the final tax liabilities, the actual amount of provision and the time of the purchase and/or sale of their shares in the Target Fund. In particular, if the actual provisions are less than the final tax liabilities, this gap shall be covered by the assets of the Target Fund and, consequently, the current shareholders; in any case, the net asset value of the Target Fund is not recalculated during the period of the insufficient or excessive provisions.
The banking system	In addition to being ill-developed, the local banking systems in many of the Emerging Markets in which the Company may invest are subject to risks such as the insolvency of a bank due to concentrated debtor risk or imprudent lending, the effect of inefficiency and fraud in bank transfers and other systemic risks. In addition, banks in Emerging Markets may not have developed the infrastructure to channel domestic savings to companies in need of finance who thereby can experience difficulty in obtaining working capital.
Embargoes and sanctions	Trade embargoes, sanctions and other restrictions ("restrictions") may, from time to time, be imposed by international bodies (for example, but not limited to, the United Nations) or sovereign states (for example, but not limited to, the United States) or their agencies on investments held or to be held by the Company. Such restrictions may result in an investment or cash flows relating to an investment being frozen or otherwise suspended or restricted ("suspensions"). The Depositary and the Target Fund Manager will not be liable for any losses suffered by the Company as a result of the imposition of such restrictions or as a result of suspensions being imposed on any investment or any cash flows associated with any investment.
Investment objective not guaranteed	There is no guarantee of specific or minimum performance, and there is no assurance that the Company will meet its investment objective.
Dependence on the Target Fund Manager	The success of the Company depends upon the ability of the Target Fund Manager to develop and implement investment strategies that achieve the Company's investment objectives. Subjective decisions made by the Target Fund Manager may cause the Company to incur losses or to miss profit opportunities on which it would otherwise have capitalized.
Aggregation of orders	To the extent permitted by the Prospectus of the Target Fund and applicable law and regulation, the Target Fund Manager and the sub-managers may aggregate purchase or sale orders on behalf of the Target Fund with an order for one or more other funds managed or advised by the Target Fund Manager or the sub-managers (an "Ashmore Fund") or an order for its own account or the account of an affiliate of the Target Fund Manager, the sub-managers or an Ashmore Fund. Those other Ashmore Funds have investment strategies, objectives and restrictions which may be similar or different to the Target Fund, and may be structured differently to the Target Fund, especially as regards redemption and subscription (or analogous) terms and may have a finite term. The Company acknowledges that aggregation may for instance impact the holding period for an investment, the size of its exposure to such investment (for example by increasing or decreasing its participation in the investment through acquiring or disposing of some or all of the investment from or to one or more other Ashmore Funds in accordance with applicable law and regulation and the Target Fund Manager's and/ or the sub-managers' policies and procedures in respect therewith), and the price at which the investment may be acquired or disposed of. When aggregating orders for the purchase or sale of investments for the Company with

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	other Ashmore Funds, the Target Fund Manager and/ or the sub-managers take into account the strategies, objectives and restrictions to which each such Ashmore Fund is subject and their interests, which depending on the circumstances may be advantageous or less advantageous to the Company.
Foreign corrupt practices act	Where the Ashmore Funds, including the Company, have, as a result of collective investments in a same entity, a controlling equity investment which would allow such invested funds (the "Invested Ashmore Funds") to exert collectively a positive control and/or a significant influence over such entity (an "Investee Company"), then the Target Fund Manager (on behalf of the Company and the other Ashmore Funds as shareholders of the Investee Company) intends to request the Investee Company to adopt and implement policies, to the extent they do not have them already, to minimise and prohibit the direct or indirect, offer, payment, promise of payment or authorization of payment of anything of value, including but not limited to cash, checks, wire transfers, tangible and intangible gifts, favours, services, to: (i) an executive, official, employee or agent of a governmental department, agency or instrumentality, (ii) a director, officer, employee or agent of a wholly or partially government-owned or-controlled company or business, (iii) a political party or official thereof, or candidate for political office, or (iv) an executive, official, employee or agent of a public international organisation (a "Government Official"), with the specific purpose of exerting an influence, whether positive or negative, over such Government Official to obtain an improper advantage or in order to obtain, retain, or direct business. Notwithstanding the aforementioned policies, the Target Fund Manager and the Invested Ashmore Funds are solely reliant on the executive management of the Investee Company ("IC Management") to implement and monitor such policies and report to the Target Fund Manager and the Invested Ashmore Funds in the Company's capacity as a shareholder of the Investee Company, on such policies, and accordingly there is no guarantee that such policies will be implemented, and even if implemented whether they will be effective and/or adhered to by the IC Management, and any failure in the IC Management to implement, adhere to, and monitor such policies will compromise the effectiveness of such policies.
Commodity exchange act	Because the Target Fund may invest in derivative instruments that may be deemed to be "commodity interests," the Target Fund may be subject to regulation as a commodity pool under the U.S. Commodity Exchange Act, as amended, and the rules of the U.S. Commodity Futures Trading Commission (the "CFTC"). The Target Fund Manager and the relevant sub-manager are exempt from registration with the CFTC as a commodity pool operator with respect to the Target Fund under CFTC Rule 4.13(a)(3) because of the limited trading by the Target Fund in commodity interests. As such, unlike registered commodity pool operators, neither the Target Fund Manager nor the relevant sub-manager are required to deliver to investors in the Target Fund, a "Disclosure Document", as that term is used in the CFTC's rules, or certified annual reports.
Use of financial derivatives and techniques and instruments	The Target Fund may engage, within the limits laid down under the sections of "Investment Restrictions" and "Special Investment Techniques and Instruments" of the Prospectus of the Target Fund, in various portfolio strategies which may involve the use of techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management (i.e. to reduce the risk, costs, and to generate additional capital or income with a reasonable level of risk) and hedging purposes. These techniques may inter alia include the use of futures and option contracts, credit-linked securities, swaps contracts, forward foreign exchange transactions in currency and other investment techniques. While the prudent use of these techniques may be beneficial, these may also involve special investment risks and transactions costs to which the Target Fund would not be subject in the absence of the use of these strategies. Risks also include counterparty risk and default risk of the counterparty, and the inability to liquidate a position because the trading market becomes illiquid. Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative

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	transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price. Where the Target Fund enters into transactions in OTC markets, it is exposed to a potential risk arising from the credit of its counterparties and their ability to comply with its obligations and undertakings under the contracts. Performance and value of derivatives instruments are directly linked to the performance or value of underlying assets, and will fluctuate depending on the market of such underlying assets. The successful use of these techniques will depend on the ability of the Target Fund Manager to judge market conditions correctly, predict market movements, and employ a strategy that correlates adequately to the Target Fund's investments. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. When engaging in such transactions, the Target Fund may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to such transactions with the Company, the Management Company, the Target Fund Manager or another member of the same group of companies. In the event that the Target Fund reinvests cash collateral in one or more of the permitted types of investment that are described in "Management of Collateral" as set out in the section of "Special Investment Techniques and Instruments of the Target Fund" under the section "About the Target Fund – Ashmore SICAV Emerging Markets Short Duration Fund" above, there is a risk that the Target Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Target Fund to the counterparty at the conclusion of the transaction. The Target Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Target Fund.
OTC financial derivative instruments	In general, there is less government regulation and supervision of transactions in OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house. The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, total return swaps, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose the Target Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Target Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the Company. The Company may enter into OTC derivatives cleared through a clearing house that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Company. There is a risk of loss by the Company of its initial and variation margin deposits in the event

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	of default of the clearing broker with which the Company has an open position or if margin is not identified and correctly report to the Company, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Company may not be able to transfer or "port" its positions to another clearing broker. EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Company. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of the Prospectus of the Target Fund. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Company, which may include an increase in the overall costs of entering into and maintaining OTC derivatives. Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Company has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure. Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).
Collateral management	Counterparty risk arising from investments in OTC financial derivative instruments is generally mitigated by the transfer or pledge of collateral in favour of the Target Fund. However, transactions may not be fully collateralised. Fees and returns due to the Target Fund may not be collateralised. If a counterparty defaults, the Target Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Target Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Target Fund to meet redemption requests. The Target Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Target Fund to the counterparty as required by the terms of the transaction. The Target Fund would be required to cover the

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	difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Target Fund.
Securitised debt	The Target-Fund may have exposure to securitised debt. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. Asset-backed securities (ABS) are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. In certain circumstances, investments in ABS may become less liquid making it difficult to dispose of them. As a result, the Target Fund's ability to respond to market events may be impaired and the Target Fund may experience adverse price movements upon disposal of such investments. The list above refers to the most frequently encountered risks and is not an exhaustive list of all the potential risks.
Contingent convertible bonds	In the framework of new banking regulations, banking institutions are required to increase their capital buffers and have therefore issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as "CoCo" or "CoCos"). The main feature of a CoCo is its ability to absorb losses as required by banking regulations, but other corporate entities may also choose to issue them. <u>Trigger level risk</u> – Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low. These triggering events may include (i) a deduction in the issuing bank's capital ratio below a pre-set limit, (ii) a regulatory authority making a subjective determination that an institution is "non-viable" or (iii) a national authority deciding to inject capital. Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos. <u>Yield valuation risk</u> – CoCos are valued relative to other debt securities in the issuer's capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend mainly on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity. <u>Coupon cancellation risk</u> – It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter. <u>Call extension risk</u> – Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written

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	down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking pari passu with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos. Capital structure inversion risk – CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency level and / or the access of the issuer to liquidity of the issuing financial institution. Unknown risk – The structure of CoCos is yet to be tested and there is some uncertainty as to how they may be impacted in regard to liquidity challenges and industry concentration in a stressed environment of deteriorating financial condition.
High yield securities	High yield (non-investment grade) securities may involve increased credit and market risks. These securities are subject to the risk of an issuer's inability to make payments of principal and interest and may also be subject to price volatility due to such factors such as interest rate sensitivity, the general market liquidity or the market perception of the creditworthiness of the issuer.
Distressed securities	The Target Fund may hold distressed securities. These securities may be the subject of bankruptcy proceedings or otherwise in default as to the repayment of principal and/or payment of interest or are rated in the lower rating categories (Ca or lower by Moody's or CC or lower by Standard & Poor's) or are unrated securities considered by the Target Fund Manager to be of comparable quality. Distressed securities are speculative and involve significant risk. Distressed securities frequently do not produce income while they are outstanding and may require the Target Fund to bear certain extraordinary expenses in order to protect and recover its holding. Therefore, to the extent the Target Fund seeks capital appreciation, the Target Fund 's ability to achieve current income for its unitholders may be diminished by its holding of distressed securities. The Target Fund also will be subject to significant uncertainty as to when and in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (e.g., through a liquidation of the obligor's assets, an exchange offer or plan of reorganisation involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or a plan of reorganisation is adopted with respect to distressed securities held by the Target Fund, there can be no assurance that the securities or other assets received by the Target Fund in connection with such exchange offer or plan of reorganisation will not have a lower value or income potential than may have been initially anticipated. Moreover, any securities received by the Target Fund be restricted as to resale. As a result of the Target Fund's participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of distressed securities, the Target Fund may be restricted from disposing quickly of such securities.
Warrants risks	The Target Fund may invest in warrants of various emerging market funds which often have a high degree of gearing so small movements in the price of an underlying instrument often results in a disproportionately large movement in the price of the warrant. The value of a warrant could drop to zero even though the underlying retains a value.
Credit default swap's risk	The use of credit default swaps can be subject to higher risk than direct investment in the underlying securities. The market for credit default swaps may from time to time be less liquid than the underlying securities markets. In relation to credit default swaps where the Company sells protection the Company is subject to the risk of a credit event occurring in relation to the reference entity. Furthermore, in relation to credit default swaps where the Company buys protection, the Company is subject to the risk of the credit default swap counterparty defaulting. To mitigate the counterparty risk resulting from credit default swap transactions, the Company will

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	only enter into credit default swaps with credit institutions of the type set forth under the section of "Investment Restrictions of the Target Fund" which have experience in such transactions.
Investment by International Organisations	From time to time, the Company accepts investment from certain international organisations and supra-nationals ("International Organisations"). Certain of these International Organisations are prohibited by their charter or constitution from pursuing legal proceedings in the courts of any individual member nations. In such circumstances and to the extent they are legally and validly authorized and recognized to assert the following, the disputes to which the International Organisations concerned are a party, including any disputes relating to the rights or obligations attaching to an investment by them in the Company, may have to be resolved by a stipulated method of dispute resolution, e.g. international arbitration. The pursuit of claims by means of a specified method of dispute resolution should however not disadvantage the Company or its shareholders in any material way if, as a matter of fact, such International Organisations are legally and validly authorized and recognized to assert the above, the immunity or lack of jurisdiction in such circumstances. The effect of this is that the method of proceeding against International Organisations, the judgments obtained and the manner of enforcement of those judgments may be different from those which would apply in respect of other types of shareholders. There is a risk that no judgment may be obtained or that a judgment which is obtained may be difficult to enforce, potentially resulting in loss to the Company. However, the nature of these International Organisations is such that they are more likely than not to satisfy any award made against them in such proceedings and that the risk of not being able to enforce a judgment is one which arises in respect of disputes with any third parties including other shareholders.
Suitability standards	Because of the risks involved, investment in the Company is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Company, who understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs. Investors are therefore advised to seek independent professional advice on the implications of investing in the Company.

DEALING INFORMATION

! You are advised not to make payment in cash to any individual agent when purchasing Units of the Fund.

If you intend to invest in a Class other than MYR Class and MYR Hedged-class, you are required to have a foreign currency account with any Financial Institution as all transactions relating to the particular foreign currency will ONLY be made via telegraphic transfers.

WHO IS ELIGIBLE TO INVEST?

- You must be at least eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the "Glossary" chapter of this Information Memorandum for the definition of "Sophisticated Investor".
- Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:-
  - redeem your Units of the Fund; or
  - transfer your Units to a non-US Person,

  within thirty (30) days from the date of the said notice.

HOW TO PURCHASE UNITS?

- You may submit the purchase request by completing an application form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.
- You are required to provide us with the following completed forms and documents. However, we reserve the right to request for additional documentations before we process the purchase application.

Individual or Jointholder	Corporation
• Account opening form; • Suitability assessment form; • Personal data protection notice form; • Client acknowledgement form; • A copy of identity card or passport or any other document of identification; and • Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form.	• Account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories; and • Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Self-certification Form. ** or any other equivalent documentation issued by the authorities.*

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer and include your name in the transaction description for our reference. Payment must be made in the currency of the Class which you intend to invest into. You may obtain our bank account details from our online download center at www.aham.com.my.
- Bank charges or other bank fees, if any, will be borne by you.

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

- If we receive your purchase application at or before 3.30 p.m. on a Business Day (or "T day"), the Units will be created in the following manner:.

USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class, AUD Hedged-class and RMB Hedged-class	Based on the NAV per Unit of a Class for that Business Day.
GBP Hedged-class and EUR Hedged-class	Based on the initial offer price of a Class during the initial offer period and thereafter, NAV per Unit of a Class for that Business Day.

- Any purchase request received or deemed to have been received by us after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day"), unless a prior arrangement is made to our satisfaction.
- Sale of Units will be honoured upon receipt of a complete set of documents together with the proof of payments.

HOW TO REPURCHASE UNITS?

- It is important to note that, you must meet the minimum holding of Units for a particular Class after a repurchase transaction.

  If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holding of Units for a particular Class, we may withdraw all your holding of Units for that particular Class and pay the proceeds to you.

  We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders.
- You may submit the repurchase request by completing a transaction form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.
- Payment of the repurchase proceeds will be made via bank transfer where proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.
- Bank charges or other bank fees, if any, will be borne by us.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

- For a repurchase request received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or "T day"), the Units will be repurchased in the following manner:

USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class, AUD Hedged-class and RMB Hedged-class	Based on the NAV per Unit of a Class for that Business Day.
GBP Hedged-class and EUR Hedged-class	Based on the initial offer price of a Class during the initial offer period and thereafter, NAV per Unit of a Class for that Business Day.

- Any repurchase request received after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day").
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within ten (10) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable ("Payment Period"). Please note that such Payment Period may be extended in the event of a temporarily suspension of dealing in Units or the calculation of the net asset value of the Target Fund and/or its class of units is deferred or the payment period of the Target Fund is extended.

WHAT IS THE PRICING OF UNITS?

- During the initial offer period, the Selling Price and Repurchase Price for all Classes are equivalent to the initial offer price of the Class. After the initial offer period, Forward Pricing will be used to determine the Selling Price and the Repurchase Price of the respective Class, i.e. the NAV per Unit of each Class as at the next valuation point after we receive the purchase request or repurchase request.
- Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price.

WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in the "Directory of Sales Offices" section in this Information Memorandum or with our authorised distributors.
- You may obtain a copy of the Information Memorandum, the product highlights sheet and application forms from the abovementioned location. Alternatively, you may also visit our website at www.aham.com.my.

WHAT IS COOLING-OFF RIGHT?

- You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.
- You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge of the particular Class imposed on the day those Units were purchased.
  - (i) If the price of a Unit on the day the Units were first purchased ("original price") is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), you will be refunded based on the market price at the point of cooling-off; or
  - (ii) If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.
- You will be refunded within ten (10) Business Days from our receipt of the cooling-off application.

  Please note that the cooling-off right is applicable to you if you are an individual investor and are investing in any of our funds for the first time. However, if you are a staff of AHAM or a person registered with a body approved by the SC to deal in unit trust funds, you are not entitled to this right.

WHAT IS THE PROCESS OF COOLING-OFF APPLICATION?

- We will process your cooling-off request if your cooling-off request is received or deemed to have been received by us at or before 3.30 p.m. on a Business Day (or "T day"). Any cooling-off request received after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day").

  Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT ARE THE SWITCHING OPTIONS?

You are able to switch:

- between Classes of the Fund; or
- into any of our funds (or its classes), provided that the fund (or its class) is denominated in the same currency as the Class that you intend to switch out of, and it is subject to the terms and conditions applicable for the respective funds.

However, you must meet the minimum holding of Units requirements of the Class that you switched out from and the minimum investment amount of the fund (or its class) that you intend to switch into.

You are also to note that we reserve the right to reject any switching requests that are regarded as disruptive to efficient portfolio management, or requests that we deem to be contrary to the best interests of the Fund and/or the existing Unit Holders of a particular Class.

The process of the switching application is as below:

- **Switching between Classes of the Fund**

  You must complete a switching transaction form and submit it to us together with relevant supporting documents, if any. If we receive your switching request at or before the cut-off time of 3.30 p.m. on a Business Day, we will process it using the NAV per Unit of a Class for that Business Day (or "T Day"). If we receive your switching request after 3.30 p.m., we will process it using the NAV per Unit of a Class calculated at the end of the next Business Day (or "T + 1 Day").

- **Switching from the Classes of this Fund into other funds (or its class) managed by AHAM**

  You must complete a switching transaction form and submit it to us at or before the cut-off time of 3.30 p.m. on a Business Day (or "T Day") together with relevant supporting documents, if any. If we receive your switching request after 3.30 p.m., we will process your request on the next Business Day (or "T + 1 Day").

  You should note that the pricing day of a fund (or its class) may not be on the same day as when we receive your switching application. Please see below the pricing policy of switching for all our funds:

Switching Out Fund	Switching In Fund	Pricing Day	
		Switching Out Fund	Switching In Fund
Money market fund	Non-money market fund	T Day	T Day
Non-money market fund	Non-money market fund		
Money market fund	Money market fund	T Day	T + 1 Day
Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. The transfer must be made in terms of Units and not in terms of USD, MYR, SGD, AUD, GBP, EUR or RMB value. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holding of Units to remain as a Unit Holder of a Class.
- It is important to note that we are at liberty to disregard or refuse to process the transfer application if the processing of such instruction will be in contravention of any law or regulatory requirements, whether or not having the force of law and/or would expose us to any liability

  Please note that the person who is in receipt of the Units must be a Sophisticated Investor as well.

HOW DO I RECEIVE THE INCOME DISTRIBUTION?

- Income distribution, if any, will be paid out in the currencies in which the Classes are denominated. You may elect the mode of distribution in cash payment or additional Units by way of reinvestment by ticking the appropriate column in the application form. You may also inform us, at any time before the income distribution date of your wish of receiving cash payment or additional Units via reinvestment. All distribution will be automatically reinvested into additional Units in the Fund if you do not elect the mode of distribution in the application form.

  Any distribution payable which is less than or equal to the amount of USD/MYR/SGD/AUD/GBP/EUR/RMB 300.00 would be automatically reinvested.

  Cash Payment Process

  Income distribution by way of cash payment will be paid via telegraphic transfer. Income will be transferred to your bank account within seven (7) Business Days after the distribution date.

  Reinvestment Process

  We will create the Units based on the NAV per Unit of the Class at the income payment date which is within two (2) Business Days after the distribution date. There will not be any cost for reinvestments of those additional Units, i.e. no Sales Charge will be imposed on such reinvestment.

SUSPENSION OF DEALING IN UNITS

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.

The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.

The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. AHAM has more than 20 years' experience in the fund management industry. In 2022, AHAM's ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners ("CVC"), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. AHAM is also 20% owned by Nikko Asset Management Co., Ltd., a Tokyo-based asset management company, and 7% owned by Lembaga Tabung Angkatan Tentera.

Our Role as the Manager

We are responsible for the investment management and marketing of the Fund; servicing Unit Holders' needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

Our Investment Team

Our investment team comprises a group of portfolio managers who possess the necessary expertise and experience to undertake the fund management of our unit trust funds. The investment team will meet at least once a week or more should the need arise. The designated fund manager of the Fund is Ms. Esther Teo and you may obtain her profile from our website at www.aham.com.my.

ABOUT THE TRUSTEE - TMF TRUSTEES MALAYSIA BERHAD

The Trustee is part of the TMF Group, an independent global service provider in the trust and fiduciary sector. The group has more than 125 offices in over 83 jurisdictions in the world. TMF Group started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre (IBFC), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders. In performing these functions and duties, the Trustee has to exercise all due care and vigilance and is required to act in accordance with the provisions of the Deed, all relevant laws and the Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, all relevant laws and the Guidelines.

Trustee's Delegate

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 (now known as Companies Act 2016) as a public limited company and is a direct subsidiary of Standard Chartered Bank (Singapore) Limited and an indirect subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Banking and Financial Institution Act 1989 (now known as Financial Services Act 2013).

SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.

RELEVANT INFORMATION

SALIENT TERMS OF THE DEED

Your Rights and Liabilities

You have the right, among others, to the following:-

(a) To receive the distribution of income (if any), to participate in any increase in the value of the Units and to enjoy such other rights and privileges as are provided for in the Deed;

(b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a Special Resolution; and

(c) To receive quarterly and annual reports.

However, you would not have the right to require the transfer to you of any of the assets of the Fund. Neither would you have the right to interfere with or question the exercise by the Trustee or the Manager on the Trustee's behalf, of the rights of the Trustee as the registered owner of such assets.

You are not liable to the following:-

(a) For any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto; or

(b) For any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Provisions Regarding Unit Holders' Meetings

Quorum Required for Convening a Unit Holders' Meeting

(a) The quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be five (5) Unit Holders (irrespective of the Class), whether present in person or by proxy; however, if the Fund or a Class, as the case may be, has five (5) or less Unit Holders (irrespective of the Class), the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be two (2) Unit Holders (irrespective of the Class), whether present in person or by proxy.

(b) If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in Circulation (irrespective of the Class) of the Fund or a particular Class, as the case may be, at the time of the meeting.

(c) If the Fund or a Class, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

Unit Holders' Meeting convened by the Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders of the Fund or of a particular Class, as the case may be, whichever is less, summon a meeting of the Unit Holders of the Fund or of that Class by:

(a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders of the Fund or Unit Holders of a particular Class, as the case may be, at the Unit Holders' last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and

(b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:-

(a) requiring the retirement or removal of the Manager;

(b) requiring the retirement or removal of the Trustee;

(c) considering the most recent financial statements of the Fund; or

(d) giving to the Trustee such directions as the meeting thinks proper;

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders of the Fund or the Unit Holders of a particular Class.

Unit Holders' Meeting convened by the Manager

The Manager may for any purpose whatsoever summon a meeting of the Unit Holders by sending by post at least fourteen (14) days before the date of the proposed meeting, or such other time as may be prescribed by the relevant laws, a notice of the proposed meeting to all the Unit Holders. All such notices and advertisement to the Unit Holders shall specify the place, time and terms of the resolutions to be proposed.

Unit Holders' Meeting convened by the Trustee

The Trustee shall summon a Unit Holders' meeting where:

(a) the Manager is in liquidation;

(b) in the opinion of the Trustee, the Manager has ceased to carry on business; or

(c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act.

The Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, for the purpose of:

(a) requiring the retirement or removal of the Manager;

(b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;

(c) securing the agreement of the Unit Holders to release the Trustee from any liability;

(d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.9.3 of the Deed; and

(e) deciding on the reasonableness of the annual management fee charged to the Fund or each Class.

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee pursuant to the aforesaid shall be summoned by:

(a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and

(b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

Termination of the Fund

The Fund may be terminated or wound up subject to a Special Resolution being passed at a Unit Holders' meeting to terminate or wind up the Fund.

Termination of a Class

The Manager may terminate a particular Class via the passing of a Special Resolution by the Unit Holders of such Class at a meeting of Unit Holders of such Class, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class.

Procedures to be taken to increase the Fees and Charges from the current amount stipulated in the Information Memorandum

We may not charge a Sales Charge and/or Repurchase Charge (if any) at a rate higher than that disclosed in this Information Memorandum unless:-

(a) we have notified the Trustee in writing of and the effective date for the higher charge; and

(b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued.

We or the Trustee may not charge an annual management fee and/or an annual trustee fee at a rate higher than that disclosed in this Information Memorandum unless:

(a) the Manager has come to an agreement with the Trustee on the higher rate;

(b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and

(c) a supplemental/replacement information memorandum stating the higher rate is issued thereafter.

INCORRECT PRICING

We will take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the SC of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee will not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit attributable to a Class unless the total impact on your account of each Class is less than MYR 10.00 or in the case of a foreign currency Class, less than 10.00 denominated in the foreign currency denomination of the Class. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee will result in reimbursement of moneys in the following manner:

	Reimbursement by:	Receiving parties:
Over valuation and/or pricing in relation to the purchase and creation of Units	Fund	Unit Holder
Over valuation and/or pricing in relation to the repurchase of Units	AHAM	Fund
Under valuation and/or pricing in relation to the purchase and creation of Units	AHAM	Fund
Under valuation and/or pricing in relation to the repurchase of Units	Fund	Unit Holder or former Unit Holder

FINANCING AND SECURITIES LENDING

The Fund is not permitted to borrow cash or other assets (including the borrowing of securities within the meaning of the SC's Securities Borrowing and Lending Guidelines [SBL Guidelines]) in connection with its activities.

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

UNCLAIMED MONIES

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be dealt as follows:-

(a) we may reinvest the unclaimed distribution proceeds provided that you still have an account with us; or

(b) we will pay to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Moneys Act 1965.

INVESTORS INFORMATION

How can I keep track of my investments?

You may obtain the daily Fund price from our website at www.aham.com.my. As the Fund has exposure to investments in foreign jurisdiction, the daily prices are based on information available two (2) Business Days prior to publication.

We will provide you with an annual report and a quarterly report within two (2) months after the end of the financial period the report covers. In addition, we will also send you a monthly statement confirming the current Unit holdings and transactions relating to your Units in the Fund.

Who should I contact if I need additional information of the Fund?

You can seek assistance from our customer service personnel at our toll free number 1-800-88-7080 between 8.45 a.m. to 5.30 p.m. on a Business Day. Alternatively, you can e-mail us at customercare@aham.com.my.

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and the SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market, it is our responsibility to prevent AHAM from being used for money laundering and terrorism financing activities. To this end, we have established an Anti-Money Laundering/Counter-Financing of Terrorism Framework (AML/CFT Framework) and put in place anti-money laundering process and procedures to combat such activities. This includes a robust due diligence process and procedures for client on-boarding (such as know-your-client procedures and customer due diligence) as well as ongoing monitoring of clients' transactions to detect any suspicious transactions.

To meet our regulatory obligations to verify the identity of our clients and to verify the source of funds, we may request for additional information from you. Information requested may include, but not limited to, supporting documents, documentary evidence to support information given and could extend to documents regarding identity of beneficial owners (if applicable). We reserve the right to reject an application to invest in the Fund should clients fail to provide the information required. Furthermore, where a particular transaction is deemed suspicious, we have an obligation under the AMLATFPUAA to notify the relevant authority of the transaction.

DIRECTORY OF SALES OFFICES

AHAM ASSET MANAGEMENT BERHAD:

HEAD OFFICE
Ground Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03 – 2116 6000
Fax : 03 – 2116 6100
Toll Free No : 1-800-88-7080
Email: customercare@aham.com.my
Website: www.aham.com.my

PENANG
No. 123, Jalan Macalister
10450 Georgetown
Penang
Toll Free No: 1800-888-377

PERAK
1, Persiaran Greentown 6
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05 - 241 0668
Fax: 05 – 255 9696

JOHOR
Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru, Johor
Tel : 07 – 227 8999
Fax : 07 – 223 8998

MELAKA
Ground Floor
No. 584 Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel: 06 -281 2890
Fax: 06 -281 2937

SABAH
Unit 1.09(a), Level 1, Plaza Shell
29, Jalan Tunku Abdul Rahman
88000 Kota Kinabalu, Sabah
Tel : 088 - 252 881
Fax : 088 - 288 803

SARAWAK
Ground Floor, No. 69
Block 10, Jalan Laksamana Cheng Ho
93200 Kuching, Sarawak
Tel : 082 – 233 320
Fax : 082 – 233 663

1st Floor, Lot 1291
Jalan Melayu, MCLD
98000 Miri, Sarawak
Tel : 085 - 418 403
Fax : 085 – 418 372

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