

Information Memorandum

AHAM World Series - Global Target Return Fund

(Formerly known as Affin Hwang World Series – Global Target Return Fund)



MANAGER

AHAM Asset Management Berhad
Registration No.: 199701014290 (429786-T)

TRUSTEE

CIMB Commerce Trustees Berhad
Registration No.: 199401027349 (313031-A)

This Replacement Information Memorandum is dated 15 December 2023.
The AHAM World Series – Global Target Return Fund was constituted on 23 April 2018.
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

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Fax No. : (603) 2140 3799

Business Address

Ground Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2116 6000

Fax No. : (603) 2116 6100

Toll free line : 1-800-88-7080

E-mail : customercare@aham.com.my

Website : www.aham.com.my

The Trustee

CIMB Commerce Trustee Berhad

Registered Address

Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 0099

Business Address

Level 21, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel No. : (603) 2261 8888

Fax No. : (603) 2261 9894

E-mail: ss.corptrust@cimb.com

Website: www.cimb.com

ABBREVIATION

AUD	Australian Dollar.
CIBM	China Interbank Bond Market.
CSSF	Commission de Surveillance du Secteur Financier.
ESG	Environmental, social and governance considerations.
ETF	Exchange Traded Fund.
EU	European Union.
EUR	Euro.
FiMM	Federation of Investment Managers Malaysia.
GBP	British Pound Sterling.
HKD	Hong Kong Dollar.
MYR	Ringgit Malaysia.
OECD	Organisation for Economic Cooperation and Development.
OTC	Over-the-Counter.
RMB	China Renminbi.
SC	Securities Commission Malaysia.
SGD	Singapore Dollar.
UCI	Undertaking for Collective Investment.
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.
Alternative Asset Classes	Means asset classes including real estate, infrastructure, private equity, commodities, precious metals and alternative investment funds as described in the Prospectus of the Target Fund.
Articles	Means the articles of association of the Company as amended from time to time.
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-dealing day for the Target Fund.
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.
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.
Company	Means Schroder International Selection Fund.

Deed	Refers to the deed dated 28 March 2018 and the first supplemental deed dated 30 November 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
deposit(s)	Has the same meaning as per the definition of “deposit” in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Depository	Means J.P. Morgan SE, Luxembourg Branch, acting as depository bank and fund administrator.
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
Distributor	Means a person or entity duly appointed from time to time by the Management Company to distribute or arrange for the distribution of shares.
Eligible State	Includes any member state of the EU, any member state of the OECD, and any other state which the directors of the Company deem appropriate.
ESMA	Means the European Securities and Markets Authority.
Financial Indices	Means any index compliant with Article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592.
Financial Institution	Means (1) if the institution is in Malaysia – <ul style="list-style-type: none"> (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 – Global Target Return Fund (<i>formerly known as Affin Hwang World Series – Global Target Return Fund</i>).
Guidelines	Means the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC 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.
Investment Manager	Refers to Schroder Investment Management Australia Limited.
Law	Means the law on undertakings for collective investment dated 17 December 2010, as 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	Schroder Investment Management (Europe) S.A.
medium to long term	Means a period of three (3) years and above.
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 of the Fund 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.
Prospectus of the Target Fund	Means the offering document of the Target Fund dated July 2023, as updated and amended from time to time.
Reference Currency	Refers to the currency in which the share class of the Target Fund is offered to investors.
regulated market	Means a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.
Regulations	Means the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Repurchase Price	Means 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.
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.
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 Schroder International Selection Fund Global Target Return.
Transfer Agent	Refers to HSBC Continental Europe, Luxembourg, acting as the provider of registrar and transfer agency services.
Trustee	CIMB Commerce Trustee Berhad.
UCITS	Refers to an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS Directive.
UCITS Directive	Refers to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.
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. <i>It is also the total number of Units issued at a particular valuation point.</i>
Unit Holder(s), 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 - GLOBAL TARGET RETURN FUND

Fund Category	:	Feeder (Wholesale)
Fund Type	:	Growth
Base Currency	:	USD
Financial Year End	:	31 May
Distribution Policy	:	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

INVESTMENT OBJECTIVE

The Fund seeks to achieve capital appreciation over medium to long term period.

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

PERFORMANCE BENCHMARK

ICE BofA 3 Month US Treasury Bill Index + 5%

The risk profile of this Fund is different from the risk profile of the benchmark.

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.

We may substitute the Target Fund with another fund that has a similar investment 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 positions that may be inconsistent with the Fund's principal strategy and asset allocation by reducing its investments in 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 able to meet the Fund's investment objective. To manage the risk of the Fund, we may shift the Fund's focus and exposure to lower risk investments such as deposits or money market instruments.

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 transactions 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 the Compliance Unit of the Manager, and reported to the 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 scheme;
- 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 follows:

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 it's the last published repurchase price.
- **Deposits**
Valuation of deposits placed with Financial Institutions will be done by reference to the principal value 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 that the price quoted by BPA differs from fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager. 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 based on a fair value as 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.
- **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 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 Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class	HKD Hedged-class																																													
Minimum Initial Investment*	USD 10,000	MYR 30,000	SGD 10,000	AUD 10,000	GBP 10,000	EUR 10,000	RMB 30,000	HKD 30,000																																													
Minimum Additional Investment*	USD 5,000	MYR 10,000	SGD 5,000	AUD 5,000	GBP 5,000	EUR 5,000	RMB 10,000	HKD 10,000																																													
Minimum Repurchase Units*	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units																																													
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	20,000 Units	20,000 Units	20,000 Units	20,000 Units	60,000 Units	60,000 Units																																													
Unitholdings in Different Classes	<p>You should note that there are differences when purchasing Units of the USD Class and other Classes. For illustration purposes, assuming you have USD 10,000 to invest:</p> <table border="1"> <thead> <tr> <th>Class(es)</th> <th>USD Class</th> <th>MYR Hedged-class</th> <th>SGD Hedged-class</th> <th>AUD Hedged-class</th> <th>GBP Hedged-class</th> <th>EUR Hedged-class</th> <th>RMB Hedged-class</th> <th>HKD Hedged-class</th> </tr> </thead> <tbody> <tr> <td>NAV per Unit</td> <td>USD 0.50</td> <td>MYR 0.50</td> <td>SGD 0.50</td> <td>AUD 0.50</td> <td>GBP 0.50</td> <td>EUR 0.50</td> <td>RMB 0.50</td> <td>HKD 0.50</td> </tr> <tr> <td>Currency exchange rate</td> <td>USD 1 = USD 1</td> <td>USD 1 = MYR 4</td> <td>USD 1 = SGD 2</td> <td>USD 1 = AUD 2</td> <td>USD 1 = GBP 0.75</td> <td>USD 1 = EUR 0.95</td> <td>USD 1 = RMB 6</td> <td>USD 1 = HKD 7.50</td> </tr> <tr> <td>Invested amount</td> <td>USD 10,000 x USD 1 = USD 10,000</td> <td>USD 10,000 x MYR 1 = MYR 40,000</td> <td>USD 10,000 x SGD 2 = SGD 20,000</td> <td>USD 10,000 x AUD 2 = AUD 20,000</td> <td>USD 10,000 x GBP 0.75 = GBP 7,500</td> <td>USD 10,000 x EUR 0.95 = EUR 9,500</td> <td>USD 10,000 x RMB 6 = RMB 60,000</td> <td>USD 10,000 x HKD 7.50 = HKD 75,000</td> </tr> <tr> <td>Units received</td> <td>USD 10,000 ÷ USD 0.50 = 20,000 Units</td> <td>MYR 40,000 ÷ MYR 0.50 = 80,000 Units</td> <td>SGD 20,000 ÷ SGD 0.50 = 40,000 Units</td> <td>AUD 20,000 ÷ AUD 0.50 = 40,000 Units</td> <td>GBP 7,500 ÷ GBP 0.50 = 15,000 Units</td> <td>EUR 9,500 ÷ EUR 0.50 = 19,000 Units</td> <td>RMB 60,000 ÷ RMB 0.50 = 120,000 Units</td> <td>HKD 75,000 ÷ HKD 0.50 = 150,000 Units</td> </tr> </tbody> </table> <p><i>Invested amount = USD 10,000 x currency exchange rate of the Class</i></p> <p><i>Units received = Invested amount ÷ NAV per Unit of the Class</i></p> <p>By purchasing Units of the USD Class, you will receive less Units for every USD invested in the Fund (i.e. 20,000 Units), similarly by purchasing Units of the GBP Hedged-class and EUR Hedged-class, you will also receive less Units for every GBP and EUR invested in the Fund (i.e. 15,000 Units and 19,000 Units respectively), compared to purchasing Units in MYR Hedged-class (i.e. 80,000 Units), SGD Hedged-class (i.e. 40,000 Units), AUD Hedged-class (i.e. 40,000 Units), RMB Hedged-class (i.e. 120,000 Units) or HKD Hedged-class (i.e. 150,000 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</p>								Class(es)	USD Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class	HKD Hedged-class	NAV per Unit	USD 0.50	MYR 0.50	SGD 0.50	AUD 0.50	GBP 0.50	EUR 0.50	RMB 0.50	HKD 0.50	Currency exchange rate	USD 1 = USD 1	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	USD 1 = HKD 7.50	Invested amount	USD 10,000 x USD 1 = USD 10,000	USD 10,000 x MYR 1 = MYR 40,000	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	USD 10,000 x HKD 7.50 = HKD 75,000	Units received	USD 10,000 ÷ USD 0.50 = 20,000 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	HKD 75,000 ÷ HKD 0.50 = 150,000 Units
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* 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 Hedged- class	SGD Hedged- class	AUD Hedged- class	GBP Hedged- class	EUR Hedged- class	RMB Hedged- class	HKD Hedged- class
	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 5.50% of 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 and expenses" for a particular day and dividing it with the "value of the Fund before income and 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 Hedged-class over the size of the Fund is 40% (assuming reference is made to the USD Class and MYR Hedged-class only), 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 Hedged-class.

For Unit Holders of a Class other than USD Class, the management fee and trustee fee payable shall be reflected in MYR / SGD / AUD / GBP / EUR / RMB / HKD in the Fund's financial report.

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:

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

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 0.04% 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:

$$\frac{\text{USD 120 million} \times 0.04\%}{365 \text{ days}} = \text{USD 131.51 per day}$$

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 not limited to) the following:

- Commissions or fees paid to brokers/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;
- 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);
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent; 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
Annual Trustee Fee	0.10% per annum of the NAV of the Fund (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 will 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 - SCHRODER INTERNATIONAL SELECTION FUND GLOBAL TARGET RETURN

BASE CURRENCY	:	USD
COUNTRY OF ORIGIN	:	Luxembourg
REGULATORY AUTHORITY	:	Commission de Surveillance du Secteur Financier (“CSSF”) (Luxembourg Financial Sector Supervisory Authority)

SCHRODER INTERNATIONAL SELECTION FUND (“the Company”)

The Target Fund is a sub-fund of the Company. The Company is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV").

The Company was incorporated on 5 December 1968 and its Articles were published in the Mémorial on 16 December 1968. The Articles were last amended on 20 March 2019.

The Company is registered with the Luxembourg register of commerce and companies under Number B-8202, where the Articles have been filed and are available for inspection. The Company exists for an indefinite period.

SCHRODER INVESTMENT MANAGEMENT (EUROPE) S.A. (“the Management Company”)

The Company has appointed Schroder Investment Management (Europe) S.A. as its management company to perform investment management, administration and marketing functions as described in Annex II of the Law.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and management functions to specialised service providers.

Schroder Investment Management (Europe) S.A. was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991. Schroder Investment Management (Europe) S.A. has been authorised as a management company under chapter 15 of the Law and, as such, provides collective portfolio management services to UCIs.

SCHRODER INVESTMENT MANAGEMENT AUSTRALIA LIMITED (“the Investment Manager”)

The Management Company has appointed Schroder Investment Management Australia Limited as the investment manager of the Target Fund. The registered address of the Investment Manager is Level 20 Angel Place, 123 Pitt Street, Sydney NSW 2000, Australia.

The Investment Manager may on a discretionary basis acquire and dispose of securities of the Target Fund, subject to and in accordance with instructions received from the Management Company and/or the Company from time to time, and in accordance with stated investment objectives and restrictions.

SCHRODER INVESTMENT MANAGEMENT NORTH AMERICA INC. AND SCHRODER INVESTMENT MANAGEMENT LIMITED (“Sub-Investment Managers”)

The Investment Manager has appointed Schroder Investment Management North America Inc and Schroder Investment Management Limited as the sub-investment managers of the Target Fund. The registered address of Schroder Investment Management North America Inc is 7 Bryant Park, New York, New York 10018-3706, US. The registered address of Schroder Investment Management Limited is One London Wall Place, London EC2Y 5AU, UK.

The Sub-Investment Managers provide their investment management services (i) under the supervision of the Management Company and the Investment Manager, (ii) in accordance with instructions received from and investment allocation criteria laid down by the Management Company and/or the Investment Manager from time to time, and (iii) in compliance with the investment objectives and policies of the Target Fund.

INVESTMENT OBJECTIVE

The Target Fund aims to provide capital growth and income of ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted over rolling three (3) year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

INVESTMENT POLICIES

The Target Fund invests directly or indirectly (through open-ended investment funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and Alternative Asset Classes such as real estate, infrastructure and commodity related transferable securities.

The Target Fund may hold up to 40% of its assets in open-ended investment funds. However as the Target Fund grows the Investment Manager expects the Target Fund to hold less than 10% in open-ended investment funds.

The Target Fund may invest in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Target Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Target Fund more efficiently. Where the Target Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Target Fund may invest according to its investment objective and investment policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 20% of the net asset value of the Target Fund. In certain circumstances this proportion may be higher. The Target Fund may also invest in money market instruments and hold cash.

The Target Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of the MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Barclays Global Aggregate Corporate Bond Index (hedged to USD), Barclays Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the "Sustainability Criteria" section below.

*The blend will evolve over time in line with the actual asset allocation of the Target Fund.

The Target Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Target Fund's webpage <http://www.schroders.com/en/lu/private-investor/gfc>.

SUSTAINABILITY CRITERIA

The Investment Manager applies governance and sustainability criteria when selecting investments for the Target Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Target Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Target Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage <https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures>.

The Target Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Target Fund's net asset value composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Target Fund's net asset value composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below EUR5 billion, medium companies are those between EUR5 billion and EUR10 billion and large companies are those above EUR10 billion.

SPECIFIC RISK CONSIDERATIONS

The Target Fund has environmental and/or social characteristics (within the meaning of Article 8 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector). The Target Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Target Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Target Fund may also invest in companies that do not reflect the beliefs and values of any particular investor. Please refer to the section "Risks of the Target Fund" for more details on sustainability risks.

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 the investment of the Fund in different share class of the Target Fund.

INVESTMENT RESTRICTIONS

1) Investment in Transferable Securities and Liquid Assets

(A) The Target Fund will invest in:

- 1) transferable securities and money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time ("money market instruments") admitted to or dealt in on a regulated market; and/or
- 2) recently issued transferable securities and money market instruments, provided that:
 - I. the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly, is recognised and open to the public; and
 - II. such admission is secured within one year of the issue; and/or
- 3) units of UCITS and/or of other UCI, whether situated in an EU member state or not, provided that:
 - I. such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
 - II. 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;
 - III. the business of such 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,
 - IV. 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; and/or
- 4) 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 country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member

state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or

- 5) derivatives, including equivalent cash-settled instruments, dealt on a regulated market, and/or derivatives dealt OTC, provided that:
 - I. the underlying consists of securities covered by this section 1(A), Financial Indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to its investment objective;
 - II. the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
 - 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; and/ or
- 6) money market instruments other than those dealt in on a regulated market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - I. issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU member 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 EU member states belong, or
 - II. issued by an undertaking any securities of which are dealt in on regulated markets, or
 - III. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU law, or
 - IV. issued by other bodies belonging to 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 EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the Directive 2013/34/ EU, 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.
- 7) In addition, the Target Fund may invest a maximum of 10% of the net asset value of the Target Fund in transferable securities or money market instruments other than those referred to under A(1) to A(2) and A(6) above.
- 8) Under the conditions and within the limits laid down by the Law, the Target Fund may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph B below;
- derivatives, which may be used only for hedging purposes;

For the purposes of compliance with section 3 below, the Feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above paragraph, (b) with either:

- the Master UCITS actual exposure to derivatives in proportion to the Feeder UCITS investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to derivatives provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

- (B) The Target Fund may hold ancillary liquid assets. Liquid assets used to back-up derivatives exposure are not considered as ancillary liquid assets. The Target Fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptional unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) and on a temporary basis, this limit may be breached, if justified in the interest of the investors.
- (C) 1) The Target Fund may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives, both the issuer of the structured financial instruments and the issuer of the underlying securities).

The Target Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of the Target Fund in an OTC derivatives transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(4) above or 5% of its net assets in other cases.

- 2) Furthermore, where the Target Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of the Target Fund, the total value of all such investments must not account for more than 40% of the net asset value of the Target Fund.

This limitation does not apply to deposits and OTC derivatives transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(1), 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 derivatives transactions undertaken with

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

- 3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.
- 4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain debt securities which are issued before 8 July 2022 by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities before 8 July 2022 are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.
- 5) If the Target Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Target Fund.
- 6) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of the Target Fund's net asset value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

The Target Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- 7) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of the Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided
- the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant or in the case of one commodity where the commodity is a dominant component of a diversified commodity index, provided in each case that investment up to 35% is only permitted for a single issuer.

- 8) Where the Target Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, the Target Fund may invest 100% of the net asset value of the Target Fund in such securities provided that the Target Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Target Fund.

Subject to having due regard to the principle of risk spreading, the Target Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

- (D) 1) The Target Fund may not normally acquire shares carrying voting rights which would enable the Target Fund to exercise significant influence over the management of the issuing body.
- 2) The Target Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

- 1) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
 - 2) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
 - 3) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or
 - 4) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which the Target Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.
- (E) The Target Fund may not invest more than 10% of its net assets in units of UCITS or other UCIs unless otherwise specified in the Prospectus of the Target Fund, and funds identified as Feeder UCITS as provided for in the investment objective and policy in the Prospectus of the Target Fund. In addition, except for funds identified as Feeder UCITS, the following limits shall apply:
 - 1) If the Target Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, the Target Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of the Target Fund.
 - 2) When the Target Fund invests in the units of other UCITS and/or other UCIs linked to the Company by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the Investment Manager, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs. In respect of the Target Fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, there shall be no annual management charge charged to that portion of the assets of the Target Fund. The Target Fund will indicate in its annual report the total annual management charges charged both to the Target Fund and to the UCITS and other UCIs in which such the Target Fund has invested during the relevant period.
 - 3) The Target Fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.
 - 4) The underlying investments held by the UCITS or other UCIs in which the Target Fund invests do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.
 - (F) The Target Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more funds (each, an "Underlying Fund") without the Company being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
 - 1) the Underlying Fund(s) do(es) not, in turn, invest in the Investing Fund invested in this (these) Underlying Fund(s); and

- 2) no more than 10% of the assets that the Underlying Fund(s) whose acquisition is contemplated may be invested in units of other Underlying Funds; and
- 3) voting rights, if any, attaching to the shares of the Underlying Fund(s) are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- 4) in any event, for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Target Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

2) Investment in Other Assets

- A) The Target Fund will neither make investments in precious metals, commodities or certificates representing these. In addition, the Target Fund will not enter into derivatives on precious metals or commodities. This does not prevent the Target Fund from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities, or financial instruments whose performance is linked to precious metals or commodities.
- B) The Target Fund will not purchase or sell real estate or any option, right or interest therein, provided the Target Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- C) The Target Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(3), (5) and (6).
- D) The Target Fund may not borrow for the account of the Target Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Target Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- E) The Target Fund will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of the Target Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of the Target Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- F) The Target Fund may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.
- G) The Target Fund will comply with such further restrictions as may be required by the regulatory authorities in any country in which the shares of the Target Fund are marketed.

3) Derivatives

As specified in section 1(A)(5) above, the Target Fund may invest in derivatives.

The Target Fund shall ensure that the global exposure relating to derivatives does not exceed the total net assets of the Target Fund. The Target Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section 2(D) above) so that it may not exceed 210% of the Target Fund's total net assets under any circumstances.

The global exposure relating to derivatives is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

The Target Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in derivatives provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).

When the Target Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective 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 these restrictions. Transferable securities or money market instruments backed by other assets are not deemed to embed a derivative.

The Target Fund may use derivatives for investment purposes and for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause the Target Fund to diverge from its investment policy or objective. The risks against which the Target Fund could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

The Target Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics. Such OTC derivatives shall, to the extent capable of being held in custody, be safekept by the Depositary.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps entered into by the Target Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Target Fund and are not subject to return sharing agreements. The costs attributed to total return swaps held are included in the spread.

Agreements on OTC derivatives

The Target Fund may enter into agreements on OTC derivatives. The counterparties to any OTC derivatives transactions, such as total return swaps, contracts for difference, repurchase and reverse repurchase transactions or other derivatives, entered into by the Target Fund, are selected from a list of counterparties approved by the Management Company. The Management Company will aim to select the best available counterparties for any given markets in accordance with its group internal policy. The counterparties will be institutions which are either credit institutions or investment firms in each case with a registered office in an EU member state a G10 country or another country whose prudential rules are considered equivalent by the CSSF for this purpose, which are authorised under the MiFID directive or a similar set of rules and which are subject to prudential supervision. Such firms will, at trade inception either be rated BBB/Baa2 or above or have been approved by Schroders' Group Agency Credit Risk Committee. The Management Company monitors the ongoing creditworthiness of all counterparties and the list may be amended. The counterparties will have no discretion over the composition or management of the Target Fund's portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report of the Company.

Since the counterparties with which the Target Fund enter into total return swaps do not assume any discretion over the Target Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Target Fund.

The global exposure relating to derivatives will be calculated using a commitment approach.

Global exposure

The Target Fund's global exposure is limited to the total net value of its portfolio.

Commitment Approach

Under the commitment approach, derivatives positions are converted into equivalent positions in the underlying asset, using market price or future price/notional value when more conservative.

4) Use of Techniques and Instruments relating to transferable securities and money market instruments.

Techniques and instruments (including, but not limited to, securities lending, repurchase and reverse repurchase agreements) relating to transferable securities and money market instruments may be used by the Target Fund for the purpose of efficient portfolio management and where this is in the best interest of the Target Fund and in line with its investment objective and investor profile.

To the extent permitted by and within the limits prescribed by the Regulations and in particular (i) the CSSF Circular 08/356 relating to the use of financial techniques and instruments (as may be amended, supplemented or replaced from time to time) and (ii) the CSSF circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues, the Target Fund may for the purpose of generating additional capital or income or for reducing its costs or risks, enter as purchaser or seller into optional or non-optional repurchase or reverse repurchase transactions and engage in securities lending transactions.

The Target Fund will, for the time being, not engage in securities lending transactions, repurchase or reverse repurchase transactions. Should the Target Fund decide to use such techniques in the future, the Target Fund will update the Prospectus of the Target Fund accordingly and will comply with the Regulations and in particular CSSF

Circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse.

Securities lending

Should the Target Fund engage in securities lending, the Target Fund will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in EU law.

The Target Fund must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

In respect of securities loans, the Target Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral must be in the form of cash or securities that satisfy the requirements of the Regulations. Such collateral shall comply with the requirements set out in "Management of Collateral" below.

Reverse repurchase and repurchase agreements

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Should the Target Fund engage in reverse repurchase and repurchase agreements, the Target Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in EU law.

The Target Fund that enters into a reverse repurchase agreement shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

The Target Fund that enters into a repurchase agreement shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreement 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 Target Fund.

The Target Fund shall ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

The collateral received shall comply with the requirements set out in "Management Collateral" below.

All revenues arising from reverse repurchase and repurchase agreements, net of direct and indirect operational costs and fees, will be returned to the Target Fund.

5) Management of Collateral

The risk exposures to a counterparty arising from OTC derivatives transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for in section 1(C) above.

Collateral received for the benefit of the Target Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. Where the Target Fund enters into OTC derivatives transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

- A) Any collateral received other than cash shall be of high quality, 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. Collateral received shall also comply with the provisions in section 1(D) above.
- B) Collateral received shall be valued on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- C) Collateral received shall be of high quality.
- D) The collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- E) Collateral shall 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 of efficient portfolio management and OTC derivatives 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 shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, the Target Fund may be fully collateralised in different transferable securities and money market investments issued or guaranteed by a member state of EU, one or more of its local authorities, Eligible State or a public international body to which one or more of the local member states of the EU belong. In that case the Target Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the net asset value of the Target Fund.

- F) Where there is a title transfer, the collateral received shall be held by the Depository or one of its correspondents to which the Depository has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- G) Collateral received shall be capable of being fully enforced by the Target Fund at any time without reference to or approval from the counterparty, and where applicable, collateral received should also comply with the control limits set out in this section.
- H) Subject to the above conditions, permitted forms of collateral include:
- 1) cash and cash equivalents, including short-term bank certificates and money market instruments;
 - 2) government bonds with any maturity issued by countries including but not limited to the UK, US, France and Germany with no minimum rating.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate haircuts which will be determined for each asset class based on the haircut policy adopted by the Management Company.

- I) Non-cash collateral received shall not be sold, re-invested or pledged.
- J) Cash collateral that isn't received on behalf of currency hedged share classes shall only be:
- 1) placed on deposit with entities as prescribed in section 1(A)(6) above;
 - 2) invested in high-quality government bonds;
 - 3) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Target Fund is able to recall at any time the full amount of cash on accrued basis;
 - 4) invested in short-term money market funds as defined in the “ESMA Guidelines on a Common Definition of European Money Market Funds”, issued by ESMA (CESR/10-049) as amended from time to time or in money market funds as defined in the regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, as it may be amended or supplemented from time to time once applicable.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

Collateral policy

Collateral received by the Target Fund shall predominantly be limited to cash and government bonds.

Haircut policy

The following haircuts for collateral in OTC transactions are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case the Prospectus of the Target Fund will be updated accordingly):

Eligible Collateral	Remaining Maturity	Valuation Percentage
Cash	N/A	100%
Government Bonds	One year or under	98%
	More than one year up to and including five years	96%-97%
	More than five years up to and including ten years	93%-95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

6) Risk Management Process

The Target Fund will employ a risk management process which enables it with the Investment Manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of the Target Fund. The Target Fund or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivatives.

Sustainability Risk Management

The investment decision making process for the Target Fund includes the consideration of sustainability risks alongside other factors. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Target Fund. Sustainability risks could arise within a particular business or externally, impacting multiple business. Sustainability risks that could negatively affect the value of a particular investment might include the following:

- Environmental: extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats.
- Social: labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.
- Governance: tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.
- Regulatory: new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.

Different asset classes, investment strategies and investment universes may require different approaches to the integration of such risks in investment decision-making. The Investment Manager will typically analyse potential investments by assessing (alongside other relevant considerations), for example, the overall costs and benefits to society and the environment that an issuer may generate or how the market value of an issuer may be influenced by individual sustainability risks such as a rise in carbon tax. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders – customers, employees, suppliers and regulators - including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

The impact of some sustainability risks may have a value or cost that can be estimated through research or the use of proprietary or external tools. In such cases, it will be possible to incorporate this into more traditional financial analysis. An example of this might be the direct implications of an increase in carbon taxes that are applicable to an issuer, which can be incorporated into a financial model as an increased cost and/or as reduced sales. In other cases, such risks may be more difficult to quantify, and so the Investment Manager may seek to incorporate their potential impact in other ways whether explicitly, for example by reducing the expected future value of an issuer or implicitly, for example by adjusting the weighting of an issuer's securities in the Target Fund's portfolio depending on how strongly it believes a sustainability risk may affect that issuer.

A range of proprietary tools may be used to perform these assessments, along with supplementary metrics from external data providers and the Investment Manager's own due diligence, as appropriate. This analysis informs the Investment Manager's view of the potential impact of sustainability risks on the Target Fund's overall investment portfolio and, alongside other risk considerations, the likely financial returns of the Target Fund.

The Management Company's risk function provides independent oversight of portfolio exposures from a sustainability perspective. The oversight includes ensuring there is an independent assessment of sustainability risks within investment portfolios and adequate transparency and reporting on sustainability risk exposures.

More details on the management of sustainability risks and the Investment Manager's approach to sustainability are available on the webpage <https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures>. Please also refer to the risk factor entitled "Sustainability Risks" in the section "Risks of the Target Fund".

Liquidity Risk Management Framework

The Management Company has established, implemented and consistently applies a liquidity risk management framework which sets out the governance standards and requirements for the oversight of liquidity risk in relation to the Target Fund. The framework outlines the responsibilities for assessing, monitoring, and providing independent oversight of liquidity risks of the Target Fund. It also enables the Management Company to monitor the liquidity risks of the Target Fund and to ensure compliance with the internal liquidity parameters so that the Target Fund can meet its obligation from share redemptions at the request of shareholders of the Target Fund.

Qualitative and quantitative assessments of liquidity risks at a portfolio and security level are performed to ensure that investment portfolios are appropriately liquid and that the portfolio of the Target Fund is sufficiently liquid to honour shareholders' redemption requests. In addition, shareholder concentrations are regularly reviewed to assess their potential impact on anticipated financial obligations of the Target Fund.

The Target Fund is reviewed individually with respect to liquidity risks.

The Management Company's assessment of liquidity risks of the Target Fund includes (but is not limited to) consideration of the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base.

A detailed description of the liquidity risks is further described in the section "Risks on the Target Fund" below.

The board of directors of the Company, or the Management Company, as appropriate, may also make use, among others, of the following to manage liquidity risk:

- (A) As further described in section "Suspensions of Calculation of Net Asset Value of the Target Fund", the directors of the Company may declare that the redemption of part or all shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next dealing day and will be valued at the net asset value per share prevailing on that dealing day.
- (B) The Company may suspend the calculation of the net asset value per share of any share class in the Target Fund and the issue and redemption of any shares in the Target Fund, as well as the right to switch shares in the Target Fund to shares of a different share class of the Target Fund.

Miscellaneous

- A) The Target Fund may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(1), (2), (3) and (4) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Target Fund shall not be prevented from acquiring such securities above which are not fully paid. The Target Fund need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets. The Management Company, the Investment Manager, the Distributors, Depository and any authorised agents or their associates may have dealings in the assets of the Target Fund provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
 - 1) a certified valuation of such transaction is provided by a person approved by the directors of the Company as independent and competent;
 - 2) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or
 - 3) where neither (1) or (2) is practical;
 - 4) where the directors of the Company are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

FEES AND CHARGES OF THE TARGET FUND

Initial Charge	Up to 4.00% of the net asset value per share of the Target Fund
Switch Charge	Not applicable
Redemption Fee	Not applicable
Performance Fee	Not applicable
Management Fee	Up to 1.25% per annum of the net asset value of the Target Fund. <i>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.</i>
Annual Distribution Charge	Up to 1.00% of the net asset value of the Target Fund

SUSPENSION OF CALCULATION OF NET ASSET VALUE OF THE TARGET FUND

- (A) If the aggregate value of switch or redemption instructions on any one dealing day is more than 10% of the total value of shares in issue of the Target Fund, the directors of the Company may declare that the redemption of part or all shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next

dealing day. Such deferred instructions will be valued at the net asset value per share prevailing on that dealing day. On such dealing day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Transfer Agent.

- (B) The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty calendar days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Target Fund are invested or in exceptional circumstances where the liquidity of the Target Fund is not sufficient to meet the redemption requests.
- (C) The Company may suspend or defer the calculation of the net asset value per share of the share class of the Target Fund and the issue and redemption of any shares in the Target Fund, as well as the right to switch shares of any share class in the Target Fund into shares of a different share class of the same Target Fund:
- (1) during any period when any of the principal stock exchanges or any other regulated market on which any substantial portion of the Company's investments of the Target Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or
 - (2) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying investment funds representing a material part of the assets of the Target Fund is suspended; or
 - (3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the Target Fund by the Company is impracticable; or
 - (4) during any breakdown in the means of communication normally employed in determining the price or value of any of the Company's investments or the current prices or values on any market or stock exchange; or
 - (5) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot in the opinion of the director of the Company be effected at normal rates of exchange; or
 - (6) if the Company or the Target Fund is being or may be wound-up on or following the date on which notice is given of the meeting of shareholders at which a resolution to wind up the Company or the Target Fund is proposed; or
 - (7) if the directors of the Company have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to the Target Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or
 - (8) during any other circumstance or circumstances where a failure to do so might result in the Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment, which the Company or its Shareholders might so otherwise have suffered; or
 - (9) during any period where circumstances exist that would justify the suspension for the protection of shareholders in accordance with the law.
- (D) The suspension of the calculation of the net asset value per share of the Target Fund or share class of the Target Fund shall not affect the valuation of other sub-funds of the Company or share classes, unless these sub-funds of the Company or share classes are also affected.
- (E) During a period of suspension or deferral, a shareholder may withdraw his request in respect of any shares not redeemed or switched, by notice in writing received by the Transfer Agent before the end of such period.
- (F) Moreover, in accordance with the provisions on mergers of the Law, the Company may temporarily suspend the subscription, the redemption or the repurchase of its shares, provided that any such suspension is justified for the protection of shareholders.

Shareholders will be informed of any suspension or deferral as appropriate.

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 Management Company. 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	The 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
	<p>determined or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so.</p> <p>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.</p>
Related party transaction risk	<p>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.</p>

	SPECIFIC RISKS OF THE FUND
Concentration risk	<p>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.</p> <p>For better understanding of the risks associated to the Target Fund, please refer to the "Risks of the Target Fund" below.</p>
Liquidity risk	<p>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 Management Company 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.</p> <p>Please refer to the "Suspension of Dealing in Units" section of this Information Memorandum for more details.</p>
Counterparty risk	<p>Counterparty risk is the risk associated with the ongoing ability and willingness of the issuers to derivatives ("investments") to fulfil 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 issuers may impair the operations and/or the performance of the Fund. However, we will conduct stringent credit selection process of the issuers 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 investment to mitigate potential losses that may arise.</p>
Country risk	<p>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 or prices of Units to fall.</p>
Currency risk	<p>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 in USD) depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency</p>

	SPECIFIC RISKS OF THE FUND
	<p>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.</p> <p><i>Currency risk at the Fund level</i></p> <p>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.</p> <p><i>Currency risk at the Class level</i></p> <p>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.</p> <p><i>Currency risk at the Hedged-class level</i></p> <p>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.</p>
Management Company and/or Investment Manager risk	<p>The Target Fund (which the Fund invests in) is managed by the Management Company and/or Investment 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.</p>

	RISKS OF THE TARGET FUND
General Risks	<p>Past performance is not a guide to future performance and shares of the Target Fund should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and shareholders may not get back the amount originally invested. Where the Target Fund's currency varies from the investor's home currency, or where the Target Fund's currency varies from the currencies of the markets in which the Target Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the investor greater than the usual risks of investment.</p>
Investment Objective Risk	<p>Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for the Target Fund.</p>
Regulatory Risk	<p>The Target Fund is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, the Target Fund will be registered in non-EU jurisdictions. As a result of such registrations the Target Fund may be subject, without any notice to the shareholders of the Target Fund, to more restrictive regulatory regimes. In such cases the Target Fund will abide by these more restrictive requirements. This may prevent the Target Fund from making the fullest possible use of the investment limits.</p>
Operational Risk	<p>The Target Fund's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Company and/or the Management Company follow a due diligence process in selecting service</p>

	RISKS OF THE TARGET FUND
	<p>providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.</p>
Business, Legal and Tax Risks	<p>In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of unitholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. The Target Fund may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Target Fund.</p>
Risk Factors Relating to Industry Sectors / Geographic Areas	<p>The Target Fund that focuses on a particular industry or geographic area are subject to the risk factors and market factors which affect this particular industry or geographic area, including legislative changes, changes in general economic conditions and increased competitive forces. This may result in a greater volatility of the net asset value of the shares of the Target Fund. Additional risks may include greater social and political uncertainty and instability, and natural disasters.</p>
Risk of Suspension of Share Dealings	<p>Investors are reminded that in certain circumstances their right to redeem or switch shares may be suspended (see "Suspension of Calculation of Net Asset Value of the Target Fund" section).</p>
Interest Rate Risk	<p>The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, the Target Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.</p>
Credit Risk	<p>The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when the Target Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.</p> <p>If a security has been rated by more than one nationally recognised statistical rating organisation the Investment Manager uses the highest rating for the purposes of determining whether the security is investment grade. When the Target Fund invests in securities which are not rated by a nationally recognised statistical rating organisation, the Investment Manager will determine the credit quality by referring to the issuer rating or otherwise as it sees fit (for example using the Investment Manager's internal rating). The Target Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Investment Manager will consider whether the security continues to be an appropriate investment for the Target Fund. The Investment Manager considers whether a security is investment grade only at the time of purchase. The Target Fund will invest in securities which will not be rated by a</p>

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	<p>nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.</p> <p>Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.</p>
Liquidity Risk	<p>Liquidity risk exists when particular investments are difficult to purchase or sell. The Target Fund's investment in illiquid securities may reduce the returns of the Target Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.</p>
Inflation/Deflation Risk	<p>Inflation is the risk that the Target Fund's assets or income from Target Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Target Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of Target Fund's portfolio.</p>
Derivatives Risk	<p>For the Target Fund that uses derivatives to meet its specific investment objective, there is no guarantee that the performance of the derivatives will result in a positive effect for the Target Fund and its unitholders.</p> <p>The Target Fund may incur costs and fees in connection with total return swaps, contracts for difference or other derivatives with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by the Target Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report of the Company.</p>
Warrants Risk	<p>When the Target Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, the Target Fund investing in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in the Target Fund, and ultimately its unitholders, suffering a loss.</p>
Credit Default Swap Risk	<p>A credit default swap allows the transfer of default risk. This allows the Target Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Target Fund does not hold the underlying</p>

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	reference obligation, there may be a market risk as the Target Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Target Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Target Fund will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.
Futures, Options and Forward Transactions Risk	<p>The Target Fund may use options, futures and forward contracts on currencies, securities, indices, volatility, inflation and interest rates for hedging and investment purposes.</p> <p>Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Target Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.</p> <p>Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Target Fund is fixed, the Target Fund may sustain a loss well in excess of that amount. The Target Fund will also be exposed to the risk of the purchaser exercising the option and the Target Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Target Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.</p> <p>Forward transactions and purchasing options, in particular those traded OTC and not cleared through a central counterparty, have an increased counterparty risk. If a counterparty defaults, the Target Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.</p>
Credit Linked Note Risk	A credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. There is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.
Equity Linked Note Risk	<p>The return component of an equity linked note is based on the performance of a single security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default.</p> <p>The Target Fund may use equity linked notes to gain access to certain markets, for example emerging and less developed markets, where direct investment is not possible. This approach may result in the following additional risks being incurred, lack of a secondary market in such instruments, illiquidity of the underlying securities, and difficulty selling these instruments at times when the underlying markets are closed.</p>
Insurance Linked Securities Risk	Insurance linked securities may incur severe or full losses as a result of insurance events such as natural, man-made or other catastrophes. Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Target Fund's losses from such catastrophes could be material. Any climatic or other event which might result in an increase in the likelihood and/or severity of such events (for example, global warming

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	<p>leading to more frequent and violent hurricanes) could have a material adverse effect on the Target Fund. Although Target Fund's exposure to such events will be diversified in accordance with its investment objective, a single catastrophic event could affect multiple geographic zones and lines of business or the frequency or severity of catastrophic events could exceed expectations, either of which could have a material adverse effect on the Target Fund's net asset value.</p>
Total Return Swaps Risk	<p>The Target Fund may use total return swaps to, inter alia, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cashflows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company. At no time will a counterparty in a transaction have discretion over the composition or the management of the Target Fund's investment portfolio or over the underlying asset of the total return swap.</p>
General Risk Associated with OTC Transactions	<p>Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which the Target Fund may pay as part of the purchase price.</p> <p>In general, there is less government regulation and supervision of transactions in OTC markets 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.</p> <p>The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, 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 for OTC financial derivative instruments (other than certain foreign exchange and equity option transactions) 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 Target Fund.</p> <p>The Target Fund may enter into OTC derivatives cleared through a clearinghouse 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 Target Fund. There is a risk of loss by Target Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Target Fund has an open position or if margin is not identified and correctly report to the Target Fund, 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 Target Fund may not be able to transfer or "port" its positions to another clearing broker.</p> <p>EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR"), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivatives transactions by requiring certain "eligible" OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivatives transactions to trade repositories. In addition, EMIR imposes requirements for</p>

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	<p>appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements include the exchange of margin and, where initial margin is exchanged, its segregation by the parties, including by the Target Fund.</p> <p>Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Target Fund 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.</p> <p>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).</p>
Counterparty Risk	<p>The Target Fund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Target Fund will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.</p> <p>The Target Fund may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which the Target Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Target Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.</p> <p>The Target Fund will only enter into OTC derivatives transactions, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions entered into with first class institutions should not exceed 10% of the Target Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.</p>
Specific Risk Relating to Collateral Management	<p>Counterparty risk arising from investments in OTC financial derivative instruments (other than certain foreign exchange and equity option transactions) and securities lending transactions, repurchase agreements and buy-sell back transactions 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.</p> <p>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 difference in</p>

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	<p>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.</p>
OTC Derivative Clearing Risk	<p>The Target Fund’s OTC derivatives transactions may be cleared prior to the date on which the mandatory clearing obligation takes effect under EMIR in order to take advantage of pricing and other potential benefits. OTC derivatives transactions may be cleared under the “agency” model or the “principal-to-principal” model. Under the principal-to-principal model there is usually one transaction between the Target Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central clearing counterparty (“CCP”) whereas under the agency model there is one transaction between the Target Fund and the CCP. It is expected that many of the Target Fund’s OTC derivatives transactions which are cleared will be under the “principal-to-principal” model. However, the following risks are relevant to both models unless otherwise specified.</p> <p>The CCP will require margin from the clearing broker which will in turn require margin from the Target Fund. The Target Fund’s assets posted as margin will be held in an account maintained by the clearing broker with the CCP. Such account may contain assets of other clients of the clearing broker (an “omnibus account”) and if so, in the event of a shortfall, the assets of the Target Fund transferred as margin may be used to cover losses relating to such other clients of the clearing broker upon a clearing broker or CCP default.</p> <p>The margin provided to the clearing broker by the Target Fund may exceed the margin that the clearing broker is required to provide to the CCP, particularly where an omnibus account is used. The Target Fund will be exposed to the clearing broker in respect of any margin which has been posted to the clearing broker but not posted to and recorded in an account with the CCP. In the event of the insolvency or failure of the clearing broker, the Target Fund’s assets posted as margin may not be as well protected as if they had been recorded in an account with the CCP.</p> <p>The Target Fund will be exposed to the risk that margin is not identified to the Target Fund while it is in transit from the Target Fund’s account to the clearing broker’s account and onwards from the clearing broker’s account to the CCP. Such margin could, prior to its settlement, be used to offset the positions of another client of the clearing broker in the event of a clearing broker or CCP default.</p> <p>A CCP’s ability to identify assets attributable to a particular client in an omnibus account is reliant on the correct reporting of such client’s positions and margin by the relevant clearing broker to that CCP. The Target Fund is therefore subject to the operational risk that the clearing broker does not correctly report such positions and margin to the CCP. In such event, margin transferred by the Target Fund in an omnibus account could be used to offset the positions of another client of the clearing broker in that omnibus account in the event of a clearing broker or CCP default.</p> <p>In the event that the clearing broker becomes insolvent, the Target Fund may be able to transfer or “port” its positions to another clearing broker. Porting will not always be achievable. In particular, under the principal-to-principal model, where the Target Fund’s positions are within an omnibus account, the ability of the Target Fund to port its positions is dependent on the timely agreement of all other parties whose positions are in that omnibus account and so porting may not be achieved. Where porting is not achieved, the Target Fund’s positions may be liquidated and the value given to such positions by the CCP may be lower than the full value attributed to them by the Target Fund. Additionally, there may be a considerable delay in the return of any net sum due to the Target Fund while insolvency proceedings in respect of the clearing broker are ongoing.</p> <p>If a CCP becomes insolvent, subject to administration or an equivalent proceeding or otherwise fails to perform, the Target Fund is unlikely to have a direct claim against the CCP and any claim will be made by the clearing broker. The rights of a clearing broker against the CCP will depend on the law of the country in which the CCP is established and other optional protections the CCP may offer, such as the use of a third party custodian to hold the Target Fund’s margin. On the failure of a CCP, it is likely to be</p>

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	<p>difficult or impossible for positions to be ported to another CCP and so transactions will likely be terminated. In such circumstances, it is likely that the clearing broker will only recover a percentage of the value of such transactions and consequently the amount the Target Fund will recover from the clearing broker will be similarly limited. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash, if any, the clearing broker will receive back from the CCP and consequently the amount the Target Fund will receive from the clearing broker.</p>
Custody Risk	<p>Assets of the Company are safe kept by the Depository and investors are exposed to the risk of the Depository not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Company in the case of bankruptcy of the Depository. The assets of the Company will be identified in the Depository's books as belonging to the Company. Securities held by the Depository will be segregated from other assets of the Depository which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The Depository does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the Depository. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depository.</p> <p>The Target Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Target Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depository will have no liability.</p>
Smaller and Micro-cap Companies Risk	<p>The Target Fund which invests in smaller or micro-cap companies may fluctuate in value more than other sub-funds of the Company. Smaller companies and microcap companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller or micro-cap companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller or microcap companies may be more vulnerable to adverse developments than those in larger companies and the Target Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller or microcap companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.</p>
Portfolio Concentration Risk	<p>Although the strategy of the Target Fund of investing in a limited number of assets has the potential to generate attractive returns over time, the Target Fund which invests in a concentrated portfolio of securities may tend to be more volatile than a fund which invests in a more broadly diversified range of securities. If the assets in which Target Fund invests perform poorly, the Target Fund could incur greater losses than if it had invested in a larger number of assets.</p>

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Technology Related Companies Risk	Investments in the technology sector may present a greater risk and a higher volatility than investments in a broader range of securities covering different economic sectors. The equity securities of the companies in which the Target Fund invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, the investments made by the Target Fund may drop sharply in value in response to market, research or regulatory setbacks.
Lower Rated, Higher Yielding Debt Securities Risk	The Target Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in the Target Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.
Property and Real Estate Companies Securities Risk	<p>The risks associated with investments in securities of companies principally engaged in the real estate industry include: the cyclical nature of real estate values; risks related to general and local economic conditions; overbuilding and increased competition; increases in property taxes and operating expenses; demographic trends and variations in rental income; changes in zoning laws; casualty or condemnation losses; environmental risks; regulatory limitations on rents; changes in neighbourhood values; related party risks; changes in the appeal of properties to tenants; increases in interest rates; and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the Target Fund's investments.</p> <p>The real estate market has, at certain times, not performed in the same manner as equity and bond markets. As the real estate market frequently performs, positively or negatively and without any correlation to the equity or bond markets, these investments may affect the performance of the Target Fund either in a positive or a negative manner.</p>
Mortgage Related and Other Asset Backed Securities Risks	<p>Mortgage-backed securities, including collateralised mortgage obligations and certain stripped mortgage-backed securities represent a participation in, or are secured by, mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicles instalment sales or instalment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. Mortgage-backed and asset-backed securities are commonly used to redirect the interest and principal payments from the pool of underlying assets to investors and can be issued at a fixed or a floating rate. The securities backed by the same pool of underlying assets may be issued in a number of different tranches, or classes, with varying risk and return characteristics depending on the priority of claim on the cash flows from the pool and the terms and conditions. The higher the risk contained in the tranche, the more the security generally pays by way of income.</p> <p>Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed and many asset-backed investments typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. The Target Fund may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. As the prepayment rate generally declines as interest rates rise, an increase in interest rates will likely increase the duration, and thus the volatility, of mortgage-backed and</p>

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	<p>asset-backed securities. In addition to interest rate risk (as described above), investments in mortgage-backed securities composed of sub-prime mortgages may be subject to a higher degree of credit risk, valuation risk and liquidity risk (as described above). Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of the security's price to changes in interest rates. Unlike the maturity of a fixed income security, which measures only the time until final payment is due, duration takes into account the time until all payments of interest and principal on a security are expected to be made, including how these payments are affected by prepayments and by changes in interest rates.</p> <p>The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset backed investments receive only the interest portion or the principal portion of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. Interest portions tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying mortgages or assets increase; it is possible that the Target Fund may lose the entire amount of its investment in an interest portion due to a decrease in interest rates. Conversely, principal portions tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for interest portions and principal portions may be volatile and limited, which may make them difficult for a Fund to buy or sell.</p> <p>The Target Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price at a future date. The Target Fund may or may not take delivery of the investments at the termination date of such an agreement, but will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.</p>
Initial Public Offerings Risk	<p>The Target Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.</p>
Risk Associated with Debt Securities Issued Pursuant to Rule 144A under the Securities Act of 1933 ("SEC Rule")	<p>SEC Rule 144A provides a safe harbour exemption from the registration requirements of the Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular rule 144A security.</p>
Emerging and Less Developed Markets Securities Risk	<p>Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include; smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.</p> <p>Although many of the emerging and less developed market securities in which the Target Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the Target Fund</p>

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	<p>may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Target Fund and compensation schemes may be non-existent or limited or inadequate to meet the Target Fund's claims in any of these events.</p> <p>Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Target Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.</p>
Specific Risks Linked to Securities Lending and Repurchase Transactions	<p>Securities lending and repurchase transactions involve certain risks. There is no assurance that the Target Fund will achieve the objective for which it entered into a transaction.</p> <p>Repurchase transactions might expose the Target Fund to risks similar to those associated with optional or forward derivative financial instruments. Securities loans may, in the event of a counterparty default or an operational difficulty, be recovered late and only in part, which might restrict the Target Fund's ability to complete the sale of securities or to meet redemption requests.</p> <p>The Target Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Target Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, the Target Fund's tri-party lending agent will indemnify the Target Fund against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable.</p> <p>In the event that the Target Fund reinvests cash collateral in one or more of the permitted types of investment that are described under " Management of Collateral", there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Target Fund's ability to recover its securities on loan, which might restrict the Target Fund's ability to complete the sale of securities or to meet redemption requests.</p>
Underwriting or Sub-Underwriting	<p>The Target Fund may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting. There is a risk for the Target Fund to incur a loss if the market price of the stocks of the sub-underwriting participation falls below the price fixed in advance at which the Target Fund committed to buy them.</p>
Potential Conflicts of Interest	<p>The Investment Manager and Schroders may effect transactions, including techniques and instruments such as securities lending, repurchase agreements and reverse repurchase agreements, in which the Investment Manager or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Company. Neither the Investment Manager nor Schroders shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated.</p>

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	<p>The Investment Manager will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.</p> <p>Such potential conflicting interests or duties may arise because the Investment Manager or Schroders may have invested directly or indirectly in the Company.</p> <p>The prospect of the performance fee may lead the Investment Manager to make investments that are riskier than would otherwise be the case.</p> <p>In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the investors of the Company. The Depositary shall not carry out activities with regard to the Company that may create conflicts of interest between the Company, the investors in the Company, the Management Company and the Depositary unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to investors of the Company.</p>
Investment Funds	<p>The Target Fund may invest all or substantially all of their assets in investment funds, unless otherwise disclosed, the investment risks identified in this section will apply whether the Target Fund invests directly, or indirectly through investment funds, in the assets concerned.</p> <p>The investments of the Target Fund in investment funds may result in an increase of total operating, administration, depositary and annual management charges/expenses. However the Investment Manager will seek to negotiate a reduction in annual management charges and any such reduction will be for the sole benefit of the Target Fund.</p>
Exchange Rates	<p>The Reference Currency of Target Fund is not necessarily the investment currency of the Target Fund. Investments are made in investment funds in currencies that, in the view of the Investment Manager, best benefit the performance of the Target Fund. Unitholders investing in Target Fund having a Reference Currency that is different from their own should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.</p>
Fixed Income Securities	<p>The value of fixed income securities held by the Target Fund generally will vary upon changes in interest rates and such variation may affect share prices of Target Fund investing in fixed income securities.</p>
Equity Securities	<p>Where the Target Fund invests in equity or equity-related investments, the values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.</p>
Private Equity	<p>Investments which grant an exposure to private equity involve additional risks compared to those resulting from traditional investments. More specifically, private equity investments may imply exposure to less mature and less liquid companies. The value of financial instruments which grant exposure to private equity may be impacted in a similar manner as direct investments in private equity.</p>
Commodities	<p>Investments which grant an exposure to commodities involve additional risks compared to those resulting from traditional investments. More specifically:</p> <ul style="list-style-type: none"> • political, military and natural events may influence the production and trading of commodities and, as a consequence, negatively influence financial instruments which grant exposure to commodities; • terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

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	<p>The performance of commodities, precious metals and commodity futures also depends on the general supply situation of the respective goods, the demand for them, the expected output, extraction and production as well as the expected demand, and can for this reason be especially volatile.</p>
Convertible Securities Risk	<p>Convertible securities are typically bonds or preferred stocks that may be converted into a specific number of shares of the issuing company's stock at a specified conversion price.</p> <p>Convertible securities combine investment characteristics and risks of equities and bonds. Depending on the value of the underlying stock, the convertible security will behave more like a stock or like a bond.</p> <p>When the price of the underlying stock exceeds the conversion price, the convertible security generally behaves more like a stock and will be more sensitive to changes in equity securities. When the price of the underlying stock is lower than the conversion price, the convertible security generally behaves more like a bond and will be more sensitive to changes in interest rates and in credit spreads.</p> <p>Given the benefit provided by the potential conversion, convertible securities generally offer lower yields than non-convertible securities of similar quality.</p> <p>They also can be of lower credit quality and tend to be less liquid than traditional non-convertible securities. Lower credit quality debt securities are generally subject to greater market, credit and default risk compared to more highly rated securities.</p>
Contingent Convertible Securities Risk	<p>Contingent convertible securities are typically debt instruments which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.</p> <p>Coupon payments on certain contingent convertible securities may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.</p> <p>Contrary to typical capital hierarchy, contingent convertible securities investors may suffer a loss of capital before equity holders.</p> <p>Most contingent convertible securities are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible securities may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.</p> <p>There are no widely accepted standards for valuing contingent convertible securities. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.</p> <p>In certain circumstances finding a ready buyer for contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.</p>
Sovereign Risk	<p>There is a risk that governments or their agencies may default or not completely fulfil their obligations. In addition, there is no bankruptcy proceeding for sovereign debt securities on which money to pay the obligations of sovereign debt securities may be collected in whole or in part. As a consequence of this, holders of sovereign debt securities may be requested to participate in the rescheduling of sovereign debt securities and to extend further loans to the issuers of sovereign debt securities.</p>
Hedging Risk	<p>The Target Fund may (directly or indirectly) employ hedging by taking long and short positions in related instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such portfolio positions or prevent losses if the values of such positions decline. Hedging transactions may limit the opportunity for gain if the value of the portfolio position should increase. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be</p>

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	obtained, and the Target Fund may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.
Synthetic Short Selling Risk	The Target Fund may use financial derivative instruments to implement synthetic short positions. If the price of the instrument or market which the Target Fund has taken a short position on increases, then the Target Fund will incur a loss in relation to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.
RMB Hedged Share Classes Risk	<p>Since 2005, the RMB exchange rate is no longer pegged to the USD. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the interbank foreign exchange market is allowed to float within a narrow band around the central parity published by the People’s Republic of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions.</p> <p>Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point.</p> <p>The RMB hedged share classes participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB hedged share classes will have no requirement to remit CNH to onshore RMB (CNY).</p>
Risks Relating to Investments in the China Market	<p>Investors may also be subject to risks specific to the China market. Any significant change in mainland China’s political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Investors should also be aware that changes in mainland China’s taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments in the Target Fund.</p> <p>In particular, the taxation position of foreign investors holding Chinese shares has historically been uncertain. Transfers of A and B shares of People’s Republic of China (“PRC”) resident companies by foreign corporate shareholders are subject to a 10% capital gains withholding tax, although the tax has not been collected in the past, and uncertainties remain over the timing, any retrospective impact, and the calculation method. Subsequently, the PRC tax authorities announced in November 2014 that gains on the transfer of shares and other equity investments in China by foreign investors would be subject to a ‘temporary’ exemption from capital gains withholding tax. There was no comment about the duration of this temporary exemption. No accruals are being made for gains realised post-17 November 2014 pending further developments. The situation is being kept under review for indications of any change in market practice or the release of further guidance from the PRC authorities, and accruals for PRC capital gains withholding tax may recommence without notice upon the release of such guidance if the directors of the Company and their advisors believe this is appropriate.</p> <p>PRC corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by foreign investors (including the Target Fund) on trading of China A-Shares via the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong</p>

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	<p>Stock Connect. However, foreign investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. For investors who are tax residents of a jurisdiction which has concluded a tax treaty with the PRC, such investors may apply for a refund of the PRC withholding income tax overpaid if the relevant tax treaty provides for a lower PRC withholding income tax on dividends for a lower dividend tax rate, such investors may apply to the tax authority for a refund of the differences.</p>
<p>China – Risks Regarding Qualified Foreign Investor Status</p>	<p>Under current regulations in the PRC, foreign investors (such as the Company) may invest in certain eligible onshore PRC investments, in general, only through entities that have obtained status as a Qualified Foreign Investor (“QFI”) from the China Securities Regulatory Commission (“CSRC”), for example the Investment Manager. The QFI regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e., the CSRC, the State Administration of Foreign Exchange (“SAFE”) and the People’s Bank of China (“PBOC”). Such rules and regulations may be amended from time to time.</p> <p>Pursuant to the Provisions on the Administration of Funds of Foreign Institutional Investors for Domestic Securities and Futures Investment, the previous investment quota restrictions under the Qualified Foreign Institutional Investor (“QFII”) regime and Renminbi Qualified Foreign Institutional Investor (“RQFII”) regime have been removed. Further, from 1 November 2020, the QFII and RQFII regimes have been merged, such that QFIIs and RQFIIs are now regulated as QFIs under a set of regulations which unifies the previously separate requirements governing QFIIs and RQFIIs. Foreign institutional investors that previously held a QFII and/or RQFII licence are regarded as QFIs and are not required to re-apply for QFI status.</p> <p>The Target Fund may invest directly in the PRC via the QFII status (now known as QFI status) of the Investment Manager (i.e. QFI Holders).</p> <p>The following risks are relevant to the QFI regime:</p> <p>Risks regarding QFI status- Investors should note that QFI status could be suspended or revoked/terminated or otherwise invalidated, which may have an adverse effect on the Target Fund’s performance as the Target Fund may be required to dispose of its securities holdings and /or may be prohibited from trading of relevant securities and repatriation of the Target Funds’ monies. The Target Fund may suffer substantial losses.</p> <p>Investors should note that there can be no assurance that the Investment Manager (as QFI holders) will continue to maintain their QFI status or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may result in a rejection of subscription applications and a suspension of dealings of the Target Fund. In extreme circumstances, the Target Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue their investment objective or strategy, due to QFI investment restrictions, the illiquidity of the Chinese domestic securities market, and/or delay or disruption in the execution of trades or in the settlement of trades.</p> <p>The Investment Manager, as a QFI holder, and Target Fund, which uses the Investment Manager’s status as a QFI, are not subject to quota restrictions under the QFI regimes. There is no assurance, however, that PRC rules and regulations will not change or that quota restrictions will not be imposed in the future. Any restrictions on quota may affect the Investment Manager’s ability to effectively pursue the investment strategy of the Target Fund.</p> <p>The rules and restrictions under QFI regulations, generally apply to the QFI as a whole and not simply to the investments made by the Target Fund. The CSRC, SAFE and PBOC are vested with the power to impose regulatory sanctions if the QFI or the QFI custodian violates any provision of certain QFI regulations. Any such regulatory sanctions may adversely impact the Investment Manager’s ability to effectively pursue the investment strategy of the Target Fund.</p> <p>Risks regarding application of QFI rules - The QFI rules enable Renminbi and the Target Fund in foreign currency to be remitted into and repatriated out of the PRC. The QFI</p>

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	<p>rules are relatively new in nature and their application may depend on the interpretation given by the relevant Chinese authorities. The Target Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change. Any changes to the relevant rules may have an adverse impact on investors' investment in the Target Fund. Such changes may have potential retrospective effect on the Target Fund and may adversely affect the Target Fund. The Target Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Target Fund may be prohibited from trading of relevant securities and repatriation of the Target Fund's monies, or if any of the key operators or parties (including China custodian/PRC brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of the Target Fund or securities).</p> <p>Risks regarding repatriation and liquidity risks – Certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Target Funds' liquidity and performance. The SAFE regulates and monitors the repatriation of the Target Fund out of the PRC by the QFI holders. Repatriations in RMB and/or funds in foreign currency conducted by QFI holders in respect of an open-ended fund (such as the Target Fund) are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the China custodian. There is no assurance, however, that PRC rules and regulations will not change or that lock-up periods or repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Target Fund's ability to meet redemption requests. Furthermore, as the China custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the China custodian in case of non-compliance with the QFI regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming shareholders as soon as practicable after completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Managers' control.</p> <p>Risk pertaining to cash deposited with China custodian - Investors should note that cash deposited in the cash accounts of the Target Fund with the China custodian will not be segregated but will be a debt owing from the China custodian to the Target Fund as a depositor. Such cash will be comingled with cash that belongs to other clients or creditors of the China custodian. In the event of bankruptcy or liquidation of the China custodian, the Target Fund will not have any proprietary rights to the cash deposited in such cash accounts, and the Target Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the China 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. The Target Fund may lose the total amount deposited with the China custodian and suffer a loss.</p> <p>PRC Brokerage Risk - The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC brokers and/or the China custodian. There is a risk that the Target Fund may suffer losses from the default, bankruptcy or disqualification of the PRC brokers and/or the China custodian. In such event, the Target Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities. In selection of PRC brokers, the QFI holders will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI holders consider appropriate, it is possible that a single PRC broker will be appointed and the Target Fund may not necessarily pay the lowest commission available in the market.</p>
<p>China – Repatriation and Liquidity Risks</p>	<p>There are currently no restrictions on repatriation of proceeds out of China for funds invested in onshore securities. There is however no assurance that repatriation will not be subject to stricter rules and restrictions due to a change in the current regulations.</p>

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	<p>This may impact the liquidity of the Target Fund and its ability to meet redemption requests upon demand.</p>
China Interbank Bond Market Risks	<p>The on-shore China bond market mainly consists of the interbank bond market and the exchange listed bond market. The CIBM is an OTC market established in 1997. Currently, more than 90% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, enterprise bonds, policy bank bonds, and medium term notes.</p> <p>The CIBM is in a stage of development and internationalisation. Market volatility and potential lack of liquidity due to low trading volume may result in prices of certain debt securities traded on such market fluctuating significantly. Should the Target Fund invest in such market, it is therefore subject to liquidity and volatility risks and may suffer losses in trading on-shore China bonds. In particular, the bid and offer spreads of the prices of on-shore China bonds may be large, and the Target Fund may therefore incur significant trading and realisation costs when selling such investments.</p> <p>To the extent that the Target Fund transacts in the CIBM in on-shore China, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.</p> <p>The CIBM is also subject to regulatory risks.</p>
China Bond Connect	<p>The Target Fund may in accordance with its investment policy, invest in the CIBM via the Bond Connect (as described below).</p> <p>The Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre (“CFETS”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.</p> <p>Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of the Bond Connect (“Northbound Trading Link”). There will be no investment quota for the Northbound Trading Link.</p> <p>Pursuant to the prevailing regulations in mainland China an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently recognised onshore custody agents are the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.</p> <p>Because the Central Moneymarkets Unit is only a nominee holder and not the beneficial owner of the securities, in the unlikely event that the Central Moneymarkets Unit becomes subject to winding up proceedings in Hong Kong, investors should note that securities will not be regarded as part of the general assets of the Central Moneymarkets Unit available for distribution to creditors even under the PRC law. However, the Central Moneymarkets Unit will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in securities in the PRC. A failure or delay by the Central Moneymarkets Unit in the performance of its obligations may result in a failure of settlement, or the loss, of securities and/or monies in connection with them and the Target Fund and its investors may suffer losses as a result. Neither the Target Fund nor the Investment Manager or any Sub-Investment Manager shall be responsible or liable for any such losses.</p> <p>For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such,</p>

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	<p>the Target Fund is subject to the risks of default or errors on the part of such third parties.</p> <p>Trading in securities via Bond Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Target Fund may suffer delays in recovering its losses or may not be able to fully recover its losses. Investing in the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Target Fund's ability to invest in the CIBM will be adversely affected. In such event, the Target Fund's ability to achieve its investment objective will be negatively affected.</p>
<p>Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect</p>	<p>Should the Target Fund invest in China, it may invest in China A Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the "Stock Connect") subject to any applicable regulatory limits. The Stock Connect is a securities trading and clearing linked programme developed by The Stock Exchange of Hong Kong Limited ("SEHK"), the Hong Kong Securities Clearing Company Limited ("HKSCC"), Shanghai Stock Exchange or Shenzhen Stock Exchange, and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with an aim to achieve mutual stock market access between mainland China and Hong Kong. The Stock Connect allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers.</p> <p>The Target Fund seeking to invest in the domestic securities markets of the PRC may use the Stock Connect, in addition to the QFI scheme and, thus, are subject to the following additional risks:</p> <p>General Risk: The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Target Fund. The Stock Connect requires use of new information technology systems which may be subject to operational risk due to its crossborder nature. If the relevant systems fail to function properly, trading in Hong Kong and Shanghai/Shenzhen markets through Stock Connect could be disrupted.</p> <p>Clearing and Settlement Risk: The HKSCC and ChinaClear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.</p> <p>Legal/Beneficial Ownership: Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositories, HKSCC and ChinaClear.</p> <p>As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the Target Fund and the Depositary cannot ensure that the Target Fund ownership of these securities or title thereto is assured.</p> <p>To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Target Fund will have no legal relationship with HKSCC and no direct legal recourse against</p>

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HKSCC in the event that the Target Fund suffers losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Target Fund may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

Operational Risk: The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, predelivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Target Fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

Quota Limitations: The Stock Connect is subject to quota limitations which may restrict the Target Fund's ability to invest in China A-Shares through the Stock Connect on a timely basis.

Investor Compensation: The Target Fund will not benefit from local investor compensation schemes. Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Target Fund cannot carry out any China A-Shares trading. The Target Fund may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

Investment Risk: securities traded via Shenzhen-Hong Kong Stock Connect may be smaller companies which are subject to smaller companies risk as detailed earlier.

Risks associated with the Science and Technology Innovation Board ("STAR Board") and/or ChiNext market

The Target Fund may invest in the Science, Technology and Innovation board ("STAR Board") of the Shanghai Stock Exchange ("SSE") and/or the ChiNext market of the SZSE via the Shenzhen Hong Kong Stock Connect. Investments in the STAR Board, and/or ChiNext market may result in significant losses for the Target Fund and its investors. The following additional risks apply:

– Higher fluctuation on stock prices

Listed companies on the STAR Board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices, may have limited liquidity due to higher entry thresholds for investors, and have higher risks and turnover ratios than companies listed on the main board of the SZSE or SSE as relevant.

– Over-valuation risk

Stocks listed on the STAR Board and/or ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. Stock prices may be more susceptible to manipulation due to fewer circulating shares.

– Differences in regulations

The rules and regulations regarding companies listed on ChiNext market and/or the STAR Board market are less stringent in terms of profitability and share capital than those in the main boards.

– Delisting risk

It may be more common and faster for companies listed on the STAR Board and/or ChiNext to delist. This may have an adverse impact on the Target Fund if the companies that it invests in are delisted.

– Concentration Risk (applicable to STAR Board)

The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments by the Target Fund in the STAR Board

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	<p>may be concentrated in a small number of stocks and the Target Fund would subject to higher concentration risk.</p>
<p>Taxes Associated with Investing in Mainland China</p>	<p>Income and gains derived from trading China A-Shares</p> <p>The Ministry of Finance of the PRC, the State of Administration of Taxation of the PRC and the CSRC jointly issued circulars in relation to the taxation rules on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect under Circular Caishui 2014 No.81 (“Circular 81”) and Circular Caishui 2016 No. 127 (“Circular 127”) on 14 November 2014 and 1 December 2016 respectively. Under Circular 81 and Circular 127, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by overseas investors on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. However, overseas investors are required to pay withholding income tax (WIT) on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. Dividends from China A-Shares are not within the charging scope of Value-Added Tax (VAT).</p> <p>Interest income from bonds / debt securities issued in mainland China</p> <p>On 22 November 2018, the Ministry of Finance (“MOF”) and State Taxation Administration (“STA”) of the PRC jointly issued circular Caishui 2018 No. 108 (“Circular 108”) to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, non-PRC tax residents without a permanent establishment (PE) in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from WIT and VAT. This is regardless of whether the non-PRC tax residents invest in the PRC bond market through QFI and/or Bond Connect. Circular 108 did not specify the WIT and VAT treatments on income received by non-PRC tax residents from investment in other fixed income securities (such as asset-backed securities, certificates of deposits, etc.).</p> <p>Gains derived from trading bonds / debt securities issued in mainland China</p> <p>The PRC tax authorities have verbally indicated, on numerous occasions, that capital gains realised by non-PRC tax residents from the disposal of PRC debt securities are considered non-PRC sourced income and hence not subject to PRC WIT. There is no specific written tax regulation to confirm this but, in practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realised by non-PRC tax residents from the disposal of PRC debt securities.</p> <p>VAT treatment of gains derived from trading securities in China</p> <p>Gains realised from the trading of marketable securities in the PRC are generally subject to VAT at 6%; however, various circulars issued by the authorities provide for exemptions from VAT for non-PRC tax residents investing via QFI, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and/or Bond Connect.</p>
<p>The Benchmark Regulation</p>	<p>The London Interbank Offered Rate and other indices which are deemed “benchmarks” have been the subject of international and other regulatory guidance as well as proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any investments linked to a benchmark.</p> <p>A key element of the reform of benchmarks within the EU is Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmark Regulation”).</p> <p>The scope of the Benchmark Regulation is wide and, in addition to so-called “critical benchmark” indices such as the London Interbank Offered Rate, could also potentially apply to many other interest rate indices, as well as other indices (including</p>

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	<p>“proprietary” indices or strategies) which are referenced in financial instruments (including Investments) and/or other financial contracts entered into by the Company, the Management Company or its delegates.</p> <p>The Benchmark Regulation could have a material impact on any investment linked to a “benchmark” index, including in any of the following circumstances:</p> <p>(A) an index which is a “benchmark” could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation (including potentially due to a ‘nodeal’ exit of the UK from the EU). In such event, depending on the particular “benchmark” and the applicable terms of the investments, the investment could be de-listed, adjusted, redeemed or otherwise impacted; and</p> <p>(B) the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the investments, including calculation agent determination of the rate or level in its discretion.</p>
IBOR Reform	<p>The term “IBOR” refers generally to any reference rate or benchmark rate that is an “interbank offered rate” intended to reflect, measure or estimate the average cost to certain banks of borrowing or obtaining unsecured short-term funds in the interbank market in the relevant currency and maturity. IBORs have been used extensively as reference rates across the financial markets for many years. The Target Fund may invest in securities or derivatives whose value or payments are derived from an IBOR. The Target Fund that invests in floating rate debt securities, interest rate swaps, total return swaps and other derivatives are most likely to be adversely impacted by IBOR Reform. However, the Target Fund that invest in contracts for difference or real estate investment trusts may also be adversely impacted.</p> <p>Pursuant to recommendations of the Financial Stability Board (FSB), financial institutions and other market participants have been working to promote the development of Alternative Reference Rates (ARRs). ARR are in response to concerns over the reliability and robustness of IBORs. In July 2017, the UK Financial Conduct Authority (FCA) announced that the FCA would no longer use its influence or powers to persuade or compel contributing banks to make IBOR submissions after the end of 2021. Following this statement, other regulators across the globe have made announcements encouraging financial institutions and other market participants to transition from the use of IBORs to the use of new ARR by the end of 2021. While there is currently no plan to discontinue EURIBOR, Schroders is in the process of assessing the potential alternatives and will notify investors of any decision in that respect in due course.</p> <p>Regulatory and industry initiatives concerning IBORs may result in changes or modifications affecting investments referencing IBORs, including a need to determine or agree a substitute ARR, and/or a need to determine or agree a spread to be added to or subtracted from, or to make other adjustments to, such ARR to approximate an IBOR equivalent rate (as further described below), not all of which can be foreseen at the time the Target Fund enters into or acquires an IBOR referencing investment.</p> <p>If the composition or characteristics of an ARR differ in any material respect from those of an IBOR it may be necessary to convert the ARR into another IBOR-equivalent ARR before it is considered a suitable substitute for the relevant IBOR. Converting an ARR into one or more IBOR-equivalent rates may be possible by adding, subtracting or otherwise incorporating one or more interest rate or credit spreads, or by making other appropriate adjustments. Whether such adjustments are accurate or appropriate may depend on a variety of factors, including the impact of market conditions, liquidity, transaction volumes, the number and financial condition of contributing or reference banks and other considerations at the time of and leading up to such conversion. Even with spreads or other adjustments, IBOR-equivalent ARR may be only an</p>

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	<p>approximation of the relevant IBOR and may not result in a rate that is the economic equivalent of the specific IBORs used in the Target Fund's IBOR-referencing investments. This could have a material adverse effect on the Target Fund.</p> <p>The conversion from an IBOR to an ARR may also require the parties to agree that a payment is made from one party to the other to account for the change in the characteristics of the underlying reference rate. This payment may be required to be made by the Target Fund.</p> <p>Until the applicable industry working group and/or market participants have agreed a standard methodology for the conversion from an IBOR to an IBOR-equivalent ARR it is difficult to determine whether and how such conversions will be made. For example, conversions and adjustments could be made by developers of ARRs or by compiling bodies, sponsors or administrators of ARRs, or by a method established by them. Conversions may instead be agreed bilaterally between the Target Fund and its counterparty or by the applicable calculation agent under such investments. This could lead to different results for similar IBOR-referencing investments which could have a material adverse effect on the performance of the Target Fund.</p>
Hedged Share Class Risks	<p>Share classes, where available, may be offered in various currencies (each a "Reference Currency") at the directors of the Company's discretion. Share classes may be a currency denominated or currency hedged share class and they will be designated as such. Currency hedged share classes are offered in a currency other than the base currency of the Target Fund, with the exception of the BRL hedged share class which is denominated in the base currency of the Target Fund. Due to currency controls in Brazil, the BRL hedged share class uses a different hedging model to the other currency hedged share classes.</p> <p>The aim of a hedged share class is to provide an investor with the performance returns of the Target Fund's investments by reducing the effects of exchange rate fluctuations between the Target Fund's currency and the Reference Currency. As a result the performance of hedged share classes aims to be similar to the performance of equivalent share classes in base currency of the Target Fund. The hedged share class will not remove the interest rate differences between the base currency of the Target Fund and Reference Currency as the pricing of the hedging transactions will, at least in part, reflect those interest rate differences. There is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the Reference Currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.</p> <p>It should be noted that, where relevant, these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the base currency of the Target Fund and so, where such hedging is undertaken it may substantially protect investors in the relevant share class against a decrease in the value of the base currency of the Target Fund relative to the Reference Currency, but it may also preclude investors from benefiting from an increase in the value of the base currency of the Target Fund.</p>
Sustainability Risks	<p>The Investment Manager takes sustainability risks into account in the management of the Target Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Target Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding could affect a variety of issuers such as real estate companies and insurers, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect</p>

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	<p>market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.</p> <p>The Target Fund has the objective of making sustainable investments and/or have environmental and/or social characteristics, which they achieve by applying sustainability criteria to the selection of investments chosen by the Investment Manager. Such criteria may vary between investment strategies. The Target Fund may have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As investors may differ in their views of what constitutes sustainable investing, the Target Fund may invest in companies that do not reflect the beliefs and values of particular investors; for example, with a view to engaging with that company to improve certain aspects of its environmental, social or governance practices.</p> <p>The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of the Target Fund and how they are described for investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.</p>
Distressed Securities Risk	<p>Investment in distressed securities (i.e. securities which have a Standard & Poor's notation below CCC long-term rating or equivalent) may cause additional risks for the Target Fund. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. Therefore, the Target Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the Target Fund. Under such circumstances, the returns generated from the Target Fund's investments may not compensate the shareholders adequately for the risks assumed.</p>
Risks Linked to Investment in Catastrophe Bonds	<p>The Target Fund could invest in bonds which may lose part or all of their value in case trigger event occurs (i.e. natural disasters or financial or economic failures).</p> <p>Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Target Fund's losses from such catastrophes could be material. Any climatic or other event might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes).</p> <p>The loss amount is defined in the terms of the bond and may be based on losses to a company or industry, modelled losses to a notional portfolio, industry indices, readings of scientific instruments or certain other parameters associated with a catastrophe rather than actual losses. The modelling used to calculate the probability of a trigger event may not be accurate or may underestimate the likelihood of the trigger event occurring which may increase the risk of loss.</p> <p>Catastrophe bonds may provide for extensions of maturity which may increase volatility and may be rated by credit ratings agencies on the basis of how likely it is that the trigger event will occur. Catastrophe bonds have typically have a below investment grade credit rating (or considered equivalent if they are unrated).</p>

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Risks Linked to Special Purpose Acquisition Vehicles	<p>The Target Fund may invest up to 5% of its net assets in special purpose acquisition vehicles. A special purpose acquisition vehicle is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an existing company. Typically, the acquisition target is an existing private company that wants to trade publicly, which it accomplishes through an acquisition by, or combination with, a special purpose acquisition vehicle rather than by conducting a traditional initial public offering.</p> <p>A special purpose acquisition vehicle does not have any operating history or ongoing business other than seeking to acquire an ongoing business. The identity of the acquisition target is typically not known at the time the special purpose acquisition vehicle seeks investors.</p> <p>A special purpose acquisition vehicle may raise additional funds for a range of purposes, including in order to fund the acquisition, provide post acquisition working capital, redeem the publicly traded shares as requested by its existing shareholders or some combination of these purposes. This additional fundraising may be in the form of a private placement of a class of equity securities or the issuance of debt. Where in the form of equity, the equity securities sold in this kind of fundraising are generally the same class of securities that trade on the exchange on which the shares of the special purpose acquisition vehicle are listed. Where in the form of debt, the debt could be secured by the assets of the special purpose acquisition vehicle, by the operating company existing after the acquisition, or it could be unsecured. The debt may also be investment grade debt or below investment grade debt. Special purpose acquisitions may include different risks such as dilution, liquidity, conflicts of interests or the uncertainty as to the identification, evaluation and eligibility of the acquisition target.</p> <p>In addition, an investment in a special purpose acquisition vehicle prior to an acquisition is subject to the risks that the proposed acquisition or merger may not obtain the requisite approval of the special purpose acquisition vehicle shareholders, may require governmental or other approvals that it fails to obtain or that an acquisition or merger, once effected, may prove unsuccessful and lose value. Investments in special purpose acquisition vehicles are also subject to the risks that apply to investing in any initial public offering, including the risks associated with companies that have little operating history as public companies, including unseasoned trading, a limited number of shares available for trading (i.e. "free float") and limitations to the availability of information about the issuer. In addition, like initial public offer issuers, the market for newly-public may be volatile, and share prices of newly-public companies have historically fluctuated significantly over short periods of time. Any equity investments made in the special purpose acquisition vehicle in connection with a proposed business combination will be diluted by the acquisition itself and any further fundraising post acquisition by the acquired operating business.</p>

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 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; 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
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. <p><i>* or any other equivalent documentation issued by the authorities.</i></p>

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”), we will create your Units based on the 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 based on the 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 share class is deferred or the payment period of the Target Fund is extended.

WHAT IS THE PRICING OF UNITS?

- The Selling Price and the Repurchase Price are equivalent to the NAV per Unit of a Class. Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price.
- 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.

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 this 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 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; 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, RMB and HKD 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/HKD 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 Mr. David Ng and you may obtain his profile from our website at www.aham.com.my.

ABOUT THE TRUSTEE – CIMB COMMERCE TRUSTEE BERHAD

CIMB Commerce Trustee Berhad was incorporated on 25 August 1994 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Act. The Trustee has been involved in unit trust industry as trustee since 1996. It acts as Trustee to various unit trust funds, real estate investment trust fund, wholesale funds, private retirement schemes and exchange-traded funds.

Duties and Responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) Take into custody the investments of the Fund and hold the investments in trust for the Unit Holders;
- (b) Ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, SC guidelines and acceptable business practice within the fund management industry;
- (c) As soon as practicable notify the SC of any irregularity or breach of the provisions of the Deed, SC guidelines and any other matters which in the Trustee's opinions may indicate that the interests of Unit Holders are not served;
- (d) Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operation and management of the Fund by the Manager to safeguard the interests of Unit Holders;
- (e) Maintain or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Fund to be formed and to ensure that the Fund is operated and managed in accordance with the Deed, Information Memorandum, the SC guidelines and securities law; and
- (f) Require that the accounts of the Fund to be audited at least annually.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

Trustee's Delegate

CIMB Commerce Trustee Berhad has appointed CIMB Bank Berhad ("CIMB Bank") as the custodian of the Fund's assets. CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of

investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit Malaysia assets, they are held through its wholly owned nominee subsidiary “CIMB Group Nominees (Tempatan) Sdn Bhd”. For foreign non-Ringgit Malaysia assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with 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 in accordance with 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 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 NAV 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 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 all the Unit Holders of a particular Class of Units.

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 such Unit Holders, 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 this Information Memorandum

We may not charge a Sales Charge (if any) 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 a this Information Memorandum unless:

- (a) both the Trustee and the Manager have come to an agreement on the higher rate;
- (b) we have 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.

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 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

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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
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Penang
Toll Free No: 1800-888-377

PERAK

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Greentown Business Centre
30450 Ipoh, Perak
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JOHOR

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MELAKA

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Taman Melaka Raya
75000 Melaka
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