Outthink. Outperform.

AFFIN HWANG CAPITAL

Information Memorandum

Affin Hwang **World Series -** **China A Opportunity** Fund

MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
TMF Trustees Malaysia Berhad (610812-W)

This Information Memorandum is dated 8 January 2019.
The Affin Hwang World Series - China A Opportunity Fund is constituted on 8 January 2019.
The constitution date for the Fund is also the launch date of the Fund.

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 ADVISER.

This Information Memorandum has been seen and approved by the directors of Affin Hwang Asset Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Affin Hwang Asset Management Berhad and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

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.

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CORPORATE DIRECTORY

The Manager/AHAM
Affin Hwang Asset Management Berhad (429786-T)
Registered Office
27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur
Tel No. : (603) 2142 3700
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@affinhwangam.com
Website : www.affinhwangam.com

Board of Directors of the Manager/AHAM
- Tan Sri Dato' Seri Che Lodin bin Wok Kamaruddin (Non-independent Director)
- Datuk Maimoonah binti Mohamed Hussain (Non-independent Director)
- YBhg Mej Jen Dato' Hj Latip bin Ismail (Independent Director)
- Mr Teng Chee Wai (Non-independent Director)
- Ms Eleanor Seet Oon Hui (Non-independent Director)
- Encik Abd Malik bin A Rahman (Independent Director)

The Manager's Delegate
(fund valuation & accounting function)
TMF Trustees Malaysia Berhad (610812-W)
Business Address
10th floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur
Tel No. : (603) 2382 4288
Fax No. : (603) 2026 1451

The Trustee
TMF Trustees Malaysia Berhad (610812-W)
Registered & Business Address
10th floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur
Tel No. : (603) 2382 4288
Fax No. : (603) 2026 1451

Trustee's Delegate (Local and Foreign Custodian)
Standard Chartered Bank Malaysia Berhad (312552-W)
Business Address
Level 16, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel No. : (603) 2117 7777
Fax No. : (603) 2711 6060

ABBREVIATION

AUD	Australian Dollar.
CSSF	Commission de Surveillance du Secteur Financier.
EUR	Euro.
FiMM	Federation of Investment Managers Malaysia.
GBP	British Pound Sterling.
MYR	Malaysia Ringgit.
OTC	Over-the-Counter.
PHS	Product Highlights Sheet.
PRC	People's Republic of China.
QFII	Qualified Foreign Institutional Investor.
RMB	Renminbi Yuan.
RQFII	Renminbi Qualified Foreign Institutional Investor.
SC	Securities Commission Malaysia.
SGD	Singapore Dollar.
USD	United States Dollar.

GLOSSARY

A-shares	Means shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in RMB and available for investment by domestic investors and RQFIIs.
Act	Means the Capital Markets and Services Act 2007as may be 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 the Bursa Malaysia is open for trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
Class(es)	Means any number of class(es) of Unit(s) representing similar interests in the assets of the Fund and a "Class" means any one class of Units.
Commencement Date	Means the date on which sale of Units of the Fund is first made. The Commencement Date is also the date of constitution of the Fund.
Communiqué	Refers to the notice issued by the Manager to the Unit Holders.
Company	Refer to UBS (Lux) Investment SICAV.
Deed	Refers to the deed dated 18 December 2018 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
ESMA	Means the European Securities and Markets Authority ("ESMA), is an EU financial regulatory institution located in Paris.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank;

	(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 Affin Hwang World Series – China A Opportunity Fund.
Guidelines	Means the *Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework* issued by the SC and as may be amended from time to time.
Hedged-class	Means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed to having invested in that Class, also known as NAV hedging method. NAV hedging is undertaken regardless of whether the Base Currency is expected to increase or decline in value relative to the hedged currency.
Information Memorandum	Means this offer document in respect of this Fund as may be, replaced or amended from time to time.
Law of 2010	Means the law on undertakings for collective investment dated 17 December 2010, as amended.
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.
long term	Means a period of five (5) years and above.
Manager or AHAM	Means Affin Hwang Asset Management Berhad.
Management Company	Refers to UBS Fund Management (Luxembourg) S.A, which has been appointed by the Company as its management company.
medium to long term	Means a period between three (3) years and five (5) years.
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 net asset value 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 Unit 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.
OECD	Refers to the Organisation for Economic Co-operation and Development. The 35 members of the OECD are: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America, Estonia and Latvia.
Prospectus of the Target Fund	Means the offering document of the Target Fund dated 23 July 2018, as updated and amended from time to time.
regulated market	Means a stock exchange or a regulated, recognised market which is a market that operates regularly and is open to the public and which in each case is in an EU member state, or if not in an EU member state, is provided for in the articles.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Repurchase Price	Means the NAV per Unit payable to a Unit Holder pursuant to a repurchase of a Unit; for the avoidance of doubt, the Repurchase Price does not include any Repurchase Charge which may be imposed. *The Repurchase Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period. As such, any Repurchase*

	Charge applicable is excluded from the calculation of the Repurchase Price.
Sales Charge	Means a charge imposed pursuant to a purchase request.
Selling Price	Means the NAV per Unit payable by an applicant for a Unit pursuant to a successful application for Units; for the avoidance of doubt, the Selling Price does not include any Sales Charge which may be imposed. *The Selling Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period. As such, any Sales Charge applicable is excluded from the calculation of the Selling Price*.
Sophisticated Investor	Refers to – (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed MYR 3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; (2) an individual who has a gross annual income exceeding MYR 300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (3) an individual who, jointly with his or her spouse, has a gross annual income exceeding MYR 400,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (4) a corporation with total net assets exceeding MYR 10 million or its equivalent in foreign currencies based on the last audited accounts; (5) a partnership with total net assets exceeding MYR 10 million or its equivalent in foreign currencies; (6) a unit trust scheme or prescribed investment scheme; (7) a private retirement scheme; (8) a closed-end fund approved by SC; (9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding MYR 10 million or its equivalent in foreign currencies; (10) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding MYR 10 million or its equivalent in foreign currencies; (11) a statutory body established by an Act of Parliament or an enactment of any State; (12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53]; (13) central bank of Malaysia; (14) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence; (15) a licensed bank as defined in the Financial Services Act 2013; (16) a licensed Islamic bank as defined in the Islamic Financial Services Act 2013; (17) a licensed insurer as defined in the Financial Services Act 2013; (18) a licensed takaful operator as defined in the Islamic Financial Services Act 2013; (19) a Labuan bank or an insurance licensee as defined in the Labuan Financial Services and Securities Act 2010 [Act 704]; (20) a takaful licensee as defined in the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; and (21) such other investor(s) as may be permitted by the Securities Commission Malaysia from time to time and/or under the relevant guidelines for wholesale funds.

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 of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, "three-fourths of the Unit Holders present and voting" means three-fourths 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 holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
Target Fund	Refers to UBS (Lux) Investment SICAV - China A Opportunity.
Target Fund Manager	Refers to UBS Asset Management (Hong Kong) Limited.
Trustee	Refers to TMF Trustees Malaysia Berhad.
UCITS	Refers to undertakings for collective investment in transferable securities
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 and 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 and which has not been cancelled. *It is also the total number of Units issued at a particular valuation point.*
Unit Holder, you	Means the person 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), a 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 AFFIN HWANG WORLD SERIES - CHINA A OPPORTUNITY FUND

FUND CATEGORY	:	Feeder Wholesale	**BASE CURRENCY**	:	USD
FUND TYPE	:	Growth	**FINANCIAL YEAR END**	:	31 May

DISTRIBUTION POLICY : The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.

INVESTORS' PROFILE

The Fund is suitable for you, if you:

- seek capital appreciation through investments in China A-shares;
- have a long term investment horizon; and
- have a high risk tolerance.

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

MSCI China A Onshore

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, deposits and/or cash.

INVESTMENT STRATEGY

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

We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investments into the Target Fund and raise liquidity level of the Fund during adverse market conditions to protect the Unit Holders' interest. In raising the Fund's liquidity level, we may also invest in collective investment schemes that are relevant and consistent with the investment objective of the Fund.

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

Derivatives

We may employ derivatives, such as foreign exchange forward contracts and cross currency swaps, mainly for hedging purposes. Cross currency swaps and/or foreign exchange forward contracts may be used to hedge the principal and/or the returns of the foreign currency exposure of any of the Class(es) against the Base Currency of the Fund. The employment of derivatives under these circumstances is expected to reduce the impact of foreign currency movements of the Fund's NAV, irrespective of the currency classes. While the hedging strategy will assist with 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 may also employ derivatives for investment purposes to enhance the returns of the Fund by taking a view on the underlying asset or currency, and establish a long position to gain a specific underlying exposure. The types of derivatives envisaged for investment purposes include forwards and swaps which are OTC or traded on centralized exchanges.

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 above, 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 are monitored by the Compliance Unit of the Manager, and reported to the AHAM's compliance and risk management committee, to avoid conflicts of interests and manipulation that could have a negative impact on investors.

PERMITTED INVESTMENT

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"). All foreign assets are translated into the Base Currency based on the last available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

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

- **Unlisted Collective Investment Schemes**

  Investments in unlisted collective investment schemes shall be valued based on the last published repurchase price.

- **Deposit**

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

- **Money Market Instruments**

  The valuation of MYR denominated money market instruments will be done using the price quoted by a Bond Pricing Agency registered with the SC. For foreign money market instruments, valuation will be done using the average indicative yield quoted by 3 independent and reputable institutions.

- **Derivatives**

  Valuation of derivatives will be based on the rates provided by the respective issuers. For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg. If the rates are not available on the Bloomberg, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

- **Any Other Investment**

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

ABOUT THE CLASSES

If you intend to invest in a Class other than MYR Class, 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 bank transfers.

Classes	**USD Class**	**MYR Class**	**MYR Hedged-class**	**SGD Hedged-class**	**AUD Hedged-class**	**GBP Hedged-class**	**EUR Hedged-class**	**RMB Hedged-class**
Initial Offer Price	USD 0.50	MYR 0.50	MYR 0.50	SGD 0.50	AUD 0.50	GBP 0.50	EUR 0.50	RMB 0.50
	The initial offer price is the Selling Price and Repurchase Price for each Units of the Fund during the initial offer period.							
Initial Offer Period	➢ The initial offer period for USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class and AUD Hedged-class will be for a period of not more than 45 calendar days from the Commencement Date of the Fund. The initial offer period may be shortened if we determine that it is in your best interest. ➢ The initial offer period for GBP Hedged-class, EUR Hedged-class and RMB Hedged-class will be one (1) day which is on the launch date of a particular Class, and the launch will be disseminated through official communication channels and communiques to the Unit Holders.							
Minimum Initial Investment[*]	USD 5,000	MYR 5,000	MYR 5,000	SGD 5,000	AUD 5,000	GBP 5,000	EUR 5,000	RMB 5,000
Minimum Additional Investment[*]	USD 1,000	MYR 1,000	MYR 1,000	SGD 1,000	AUD 1,000	GBP 1,000	EUR 1,000	RMB 1,000
Minimum Units Held[*]	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units
	If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your holding of Units in the Fund and pay the proceeds to you.							
Minimum Units Per Switch*	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units
Unitholdings in Different Classes	You should note that there are differences when purchasing Units of the USD Class and other Classes in the Fund. For illustration purposes, assuming you have USD 10,000 to invest:							

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

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

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

[*] Subject to the Manager's discretion, you may negotiate for a lower amount or value.

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

The Fund may create new Classes and/or new Hedged-classes in respect of the Fund in the future. You will be notified of the issuance of the new Classes and/or new Hedged-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 initial offer price of a Class during the initial offer period, thereafter, on the NAV per Unit of a Class.

REPURCHASE CHARGE

Nil.

TRANSFER FEE

Nil.

SWITCHING FEE

Nil.

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

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

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

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 in the Fund's financial report.

ANNUAL MANAGEMENT FEE

The management fee is up to 1.85% per annum of the NAV of the Fund, and is calculated using the Fund's Base Currency (before deducting the management fee and trustee fee). The management fee is accrued daily and payable monthly.

Please note that the example below is for illustration only:

$$\frac{\text{USD 120 million x 1.85\%}}{\text{365 days}} = \text{USD 6,082.19 per day}$$

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

ANNUAL TRUSTEE FEE

The trustee fee is up to 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), and is calculated using the Fund's Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly. 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:

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

ADMINISTRATIVE FEE

Only fees and expenses that are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These include the following:

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Tax 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 the valuation of any investments of the Fund by independent valuers for the benefit of 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 imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- Other fees and expenses related to the Fund allowed under the Deed.

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

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

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

FEES AND CHARGES OF THE TARGET FUND

Preliminary Charge	Not applicable
Redemption Fee	Not applicable
Management Fee	Up to 1.60% per annum of the net asset value of the Target Fund. ***Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.***

REBATES AND SOFT COMMISSIONS

We, including our delegate (if any) will not retain any rebate or soft commission from, or otherwise share in any commission with, any broker/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 commission can be retained by us or any of our delegate thereof provided that the goods and services are of demonstrable benefit to the Unit Holders in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments, and any dealing with the broker is executed on terms which are most favourable for the Fund.

ABOUT THE TARGET FUND
- UBS (LUX) INVESTMENT SICAV - CHINA A OPPORTUNITY

BASE CURRENCY	:	USD
TYPE OF CLASS	:	USD P-accumulation share class
INCEPTION DATE OF THE CLASS	:	29 November 2013
INCEPTION DATE OF THE TARGET FUND	:	29 November 2013
COUNTRY OF ORIGIN	:	Luxembourg
DEPOSITARY	:	UBS Europe SE, Luxembourg Branch
REGULATORY AUTHORITY	:	Commission de Surveillance du Secteur Financier (“CSSF”)

The Target Fund is a sub-fund of the Company. The Company, UBS (Lux) Investment SICAV, is an open-ended investment company in the legal form of a Société d'Investissement à Capital Variable ("SICAV").

The Company is an undertaking for collective investment pursuant to Part II of the Law of 2010 as well as an alternative investment fund pursuant to the law of 12 July 2013 ("Law of 2013"), transposing EU Directive 2011/61/EU into Luxembourg law, and Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (referred to jointly with the Law of 2013 as the "AIFM Rules").

The Company is an umbrella structure with multiple compartments (collectively the "sub-funds", each being a "sub-fund"). The Company is a single legal entity. With respect to the shareholders, each sub-fund is regarded as being separate from the others. The assets of a sub-fund can only be used to offset the liabilities which the sub-fund concerned has assumed.

The Company was incorporated on 30 March 2006 and its Articles of Incorporation were first published in the Mémorial, Recueil des Sociétés et Associations" (the "Mémorial") on 20 April 2006. The Articles of Incorporation were last amended on 24 November 2016 and published in the "Recueil Electronique des Sociétés et Associations" ("RESA")

The Company is registered under Number R.C.S. B 115.356 with the "Registre de Commerce et des Sociétés", where the Articles of Incorporation have been filed and are available for inspection. The Company exists for an indefinite period.

MANAGEMENT COMPANY

The Company have appointed UBS Fund Management (Luxembourg) S.A., R.C.S. Luxembourg B 154.210 as its management company. The corporate object of the Management Company is, inter alia, the management of Luxembourg undertakings for collective investment as well as the issue and redemption of units of these products.

In order to cover its potential professional liability risks associated with professional negligence during the performance of relevant operations, the Management Company has a fully paid-up capital of EUR 13,000,000.

The Management Company will take all reasonable steps to identify conflicts of interest that arise in the course of managing funds and will maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the funds and their investors.

With a view to adequately detect and manage conflicts of interests, the Management Company applies a policy of conflict of interests that contains:

- a methodology for identification of potential conflicts situations;
- standards on organizational arrangements to prevent, adequately manage or disclose conflicts of interests.

The Management Company keeps and updates periodically a register with the details of established or potential conflicts of interest that may have arisen or are likely to arise.

The Management Company will ensure that conflicts of interest cannot result in a risk of damage to the investors' interests and, if the Management Company is not confident that a conflict does not trigger any adverse effect to investors, the Management Company will disclose the relevant source of conflicts to the investors via internet at www.ubs.com/lu/en/asset_management/investor_information.html.

THE TARGET FUND MANAGER

The Management Company has delegated the portfolio management function of the Target Fund to UBS Asset Management (Singapore) Ltd. UBS Management (Singapore) Ltd has delegated the portfolio management of part or all of the assets of the Target Fund to UBS Asset Management (Hong Kong) Limited, i.e. the Target Fund Manager.

All or most of the investment in the PRC is intended to be made and held through the QFII and/or RQFII quota of UBS Asset Management (Singapore) Ltd and/or UBS Asset Management (Hong Kong) Limited.

The Target Fund Manager is commissioned to manage the securities portfolio under the supervision and responsibility of the Management Company, and to carry out all relevant transactions while adhering to the prescribed investment restrictions of the Target Fund.

The portfolio management units of UBS Asset Management may transfer their mandates, fully or partially, to associated portfolio managers within UBS Asset Management, subject to the AIFM Rules. Responsibility in each case remains with the aforementioned portfolio manager assigned by the Management Company.

INVESTMENT OBJECTIVE AND INVESTMENT POLICIES

The investment objective of the Target Fund is to achieve high capital gains and a reasonable return, while giving due consideration to capital security and to the liquidity of assets. The Target Fund will invest at least 70% of its total net assets in equities, cooperative society shares and participation shares, participation certificates and warrants of companies which are domiciled in or are chiefly active in the PRC. The majority of net assets are invested in Chinese A-shares. Chinese A-shares are RMB denominated shares of companies domiciled in mainland China; these A-shares are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The Target Fund may use standardised and non-standardised (customised) derivative financial instruments for hedging purposes. It may conduct such transactions on a stock exchange or other regulated market open to the public, or directly with a bank or financial institution specialising in these types of business as counterparty (OTC trading). The base currency of the Target Fund is USD. At least 51% of the value of the Target Fund shall be invested in equities that are not shares of investment funds and that are listed or traded on a "regulated market" as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments. This Target Fund is only suitable for investors who are willing to accept these risks. The maximum amount of leverage for the Target Fund, calculated based on the commitment approach, is 200%. Investors should note that the Target Fund's investment exposure may also include Chinese A-shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

DERIVATIVES AND RISK MANAGEMENT

Use of financial derivative transactions

Financial derivative transactions are not in themselves investment instruments but rights whose valuation mainly derives from the price and the price fluctuations and expectations of an underlying instrument. Investments in financial derivative transactions are subject to the general market risk, settlement risk, credit and liquidity risk. Depending on the specific characteristics of financial derivative transactions, however, the aforementioned risks may be of a different kind and occasionally turn out to be higher than the risks with an investment in the underlying instruments. That is why the use of financial derivative transactions not only requires an understanding of the underlying instrument but also in-depth knowledge of the financial derivative transactions themselves.

The risk of default in the case of financial derivative transactions traded on an exchange is generally lower than the risk associated with financial derivative transactions that are traded over-the-counter on the open market, because the clearing agents, which assume the function of issuer or counterparty in relation to each financial derivative transaction traded on an exchange, assume a performance guarantee. To reduce the overall risk of default, such guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are calculated. In the case of financial derivative transactions traded over-the-counter on the open market, there is no comparable clearing agent guarantee and in assessing the potential risk of default, the Company must take account of the creditworthiness of each counterparty.

There are also liquidity risks since it may be difficult to buy or sell certain financial derivative instruments. When financial derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with financial derivative transactions traded over-the-counter on the open market), it may under certain circumstances not always be possible to fully execute a transaction or it may only be possible to liquidate a position by incurring increased costs.

Additional risks connected with the use of financial derivative transactions lie in the incorrect determination of prices or valuation of financial derivative transactions. There is also the possibility that financial derivative transactions do not completely correlate with their underlying assets, interest rates or indices. Many financial derivative transactions are complex and frequently valued subjectively. Inappropriate valuations can result in higher demands for cash by counterparties or in a loss of value for the Company.

There is not always a direct or parallel relationship between a financial derivative transaction and the value of the assets, interest rates or indices from which it is derived. For these reasons, the use of financial derivative transactions by the Company is not always an effective means of attaining the Company's investment objective and can at times even have the opposite effect.

Swap Agreements

The Target Fund may enter into swap agreements (including total return swaps and contracts for differences) with respect to various underlyings, including currencies, interest rates, securities, collective investment schemes and indices. A swap is a contract under which one party agrees to provide the other party with something, for example a payment at an agreed rate, in exchange for receiving something from the other party, for example the performance of a specified asset or basket of assets. The Target Fund may use these techniques for example to protect against changes in interest rates and currency exchange rates. The Target Fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices.

In respect of currencies, the Target Fund may utilise currency swap contracts where the Target Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or vice versa. These contracts allow the Target Fund to manage its exposures to currencies in which it holds investment but also to obtain opportunistic exposure to currencies. For these instruments, the Target Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

In respect of interest rates, the Target Fund may utilise interest rate swap contracts where the Target Fund may exchange a fixed rate of interest against a variable rate (or the other way round). These contracts allow the Target Fund to manage its interest rate exposures. For these instruments, the Target Fund’s return is based on the movement of interest rates relative to a fixed rate agreed by the parties. The Target Fund may also utilise caps and floors, which are interest rate swap contracts in which the return is based only on the positive (in the case of a cap) or negative (in the case of a floor) movement of interest rates relative to a fixed rate agreed by the parties.

In respect of securities and securities indices the Target Fund may utilise total return swap contracts where the Target Fund may exchange interest rate cash flows for cash flows based on the return of, for example, an equity or fixed income instrument or a securities index. These contracts allow the Target Fund to manage its exposures to certain securities or securities indices. For these instruments, the Target Fund's return is based on the movement of interest rates relative to the return on the relevant security or index. The Target Fund may also use swaps in which the Target Fund's return is relative to the volatility of price of the relevant security (a volatility swap, which is a forward contract whose underlying is the volatility of a given product. This is a pure volatility instrument allowing investors to speculate solely upon the movement of a stock's volatility without the influence of its price) or to the variance (the square of the volatility) (a variance swap which is a type of volatility swap where the payout is linear to variance rather than volatility, with the result that the payout will rise at a higher rate than volatility).

Where the Target Fund enters into total return swaps (or invests in other financial derivative instruments with the same characteristics) it will only do so on behalf of the Target Fund with institutions which meet the requirements (including minimum credit rating requirements, if applicable). Subject to compliance with those conditions, the Target Fund Manager has full discretion as to the appointment of counterparties when entering into total return swaps in furtherance of the Target Fund's investment objective and policies.

A credit default swap ("CDS") is a derivative instrument which is a mechanism for transferring and transforming credit risk between purchaser and seller. The protection buyer purchases protection from the protection seller for losses that might be incurred as a result of a default or other credit event in relation to an underlying security. The protection buyer pays a premium for the protection and the protection seller agrees to make a payment to compensate the protection buyer for losses incurred upon the occurrence of any one of a number of possible specified credit events, as set out in the CDS agreement. In relation to the use of CDS, the Target Fund may be a protection buyer and/or a protection seller. A credit event is an event linked to the deteriorating credit worthiness of an underlying reference entity in a credit derivative. The occurrence of a credit event usually triggers full or partial termination of the transaction and a payment from protection seller to protection buyer. Credit events include, but are not limited to, bankruptcy, failure to pay, restructuring, and obligation default.

Insolvency risk on swap counterparties

Margin deposits made in relation to swap contracts will be held with brokers. Though there are provisions in the structure of these contracts intended to protect each party against the insolvency for the other, these provisions may not be effective. This risk will further be mitigated by the exclusive choice of reputable swap counterparties.

Potential illiquidity of exchange traded instruments and swap contracts

It may not always be possible for the Company to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, the Company may not be able to execute trades or close out positions on terms which the Target Fund Manager believes are desirable.

Swap contracts are over-the-counter contracts with a single counterparty and may as such be illiquid. Although swap contracts may be closed out to realize sufficient liquidity, such closing out may not be possible or very expensive for the Company in extreme market conditions.

Risks connected with the use of efficient portfolio management techniques

The Target Fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in section entitled "Special techniques and instruments relating to transferable securities and money market instruments" below. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Target Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Target Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Target Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Target Fund may enter into securities lending transactions subject to the conditions and limits set out in section entitled "Special techniques and instruments relating to transferable securities and money market instruments" below. If the other party to a securities lending transaction should default, the Target Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Target Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The Target Fund will only use repurchase agreements, reverse repurchase agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the Target Fund. When using such techniques, the Target Fund will comply at all times with the provisions set out in section entitled "Special techniques and instruments relating to transferable securities and money market instruments" below. The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on a Target Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Target Fund's net asset value.

Exposure to securities financing transactions

The Target Fund's exposure to total return swaps, repurchase agreements/reverse repurchase agreements and securities lending transactions is set out below (in each case as a percentage of net asset value):

Total Return Swaps		**Repurchase Agreements / Reverse Repurchase Agreements**		**Securities Lending**	
Expected	Maximum	Expected	Maximum	Expected	Maximum
0%-10%	50%	0%	100%	0%-50%	100%

Short selling

Short selling can involve greater risk than investment based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretical loss up to the whole investment in the Target Fund.

Credit Risk

Target Fund will be subject to credit risk with respect to the counterparties with which it enters into any transactions. If a counterparty becomes insolvent or otherwise fails to perform its obligations, the Target Fund may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganization proceeding. The Target Fund may obtain only a limited recovery or may obtain no recovery in such circumstances, at all.

Risk management

Risk management in accordance with the commitment approach is applied pursuant to the applicable laws and regulatory provisions. A description of additional risk management techniques (e.g. management of counterparty risk) can be found in the relevant sections of the Target Fund’s Prospectus.

Liquidity management

Within the framework of liquidity management, the Management Company shall ensure that the Company's liquidity profile remains in line with its investments and that the redemption orders of investors - with the exception of the special cases provided for by the supervisory authority or the Target Fund’s Prospectus - can be processed at all times. A description of additional liquidity management techniques (e.g. temporary suspension in the processing of redemption orders under certain circumstances and processes regarding the regular subscription, redemption and conversion cycles) can be found in the Target Fund’s Prospectus.

Collateral Management

If the Company enters into OTC transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties: when the Company enters into forwards contracts, OTC options or uses other OTC derivative techniques, it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple contracts. Counterparty risk can be reduced by depositing a security ("collateral", see above).

Collateral may be provided in the form of cash in highly liquid currencies, highly liquid equities and first- class government bonds. The Company will only accept such financial instruments as collateral that would allow it (after objective and appropriate valuation) to liquidate them within an appropriate time period. The Company, or a service provider appointed by the Company, must valuate the value of the collateral at least once a day. The value of the collateral must be higher than the value of the position of the respective OTC counterparty. However, this value may fluctuate between two consecutive valuations. After each valuation, however, it is ensured (where appropriate by calling additional collateral) that the collateral is increased by an amount sufficient to reach the value of the respective OTC counterparty's exposure (mark-to-market). In order to adequately take into account the risks related to the collateral in question, the Company determines whether the value of the collateral to be received should be increased, or whether the value of the collateral received is to be cut by an appropriate, conservatively measured amount (haircut). The larger the collateral's value may fluctuate, the higher the haircut must be. The haircut is highest for equities. Securities deposited as collateral must not have been issued by the OTC counterparty with which the relevant OTC transaction is to be entered into or have a high correlation with it. For this reason, shares from the finance sector are not accepted as collateral. Securities deposited as collateral are held by the Depositary in favour of the Company and may not be sold, invested or pledged by the Company. Collateral may not be re-used.

Bankruptcy and insolvency events or other credit events with the Depositary or within their sub-custodian/correspondent bank network may result in the rights of the Company in connection with the security to be delayed or restricted in other ways. If the Company is owed a security pursuant to an applicable agreement, then any such security is to be transferred to the OTC counterparty as agreed between the Company and the OTC counterparty. Bankruptcy and insolvency events or other credit events with the OTC counterparty, the Depositary or within their sub-custodian/correspondent bank network may result in the rights or recognition of the Company in connection with the security to be delayed, restricted or even eliminated, which would go so far as to force the Company to fulfil its obligations in the framework of the OTC transaction, in spite of any security that had previously been made available to cover any such obligation. The Company shall decide on an internal framework agreement that determines the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, as well as the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Company on a regular basis.

Leverage

For the purpose of the Target Fund's Prospectus, "leverage" means any method by which the exposure of the Company or the Target Fund is increased through borrowing of cash or securities, or leverage embedded in derivative position or by any other means. The Company may employ external funds within the framework of the maximum permissible leverage of the Target Fund. The profit and loss potential is thereby increased, meaning that the value appreciation of these investments leads to the Company's net assets growing more quickly than would have been the case without leverage. Conversely, a decrease in value causes the Company's assets to fall more quickly than without leverage.

The maximum permitted amount of the leverage that can be built up by the Target Fund and which is calculated using the commitment approach can be found in the investment policy of the Target Fund.

INVESTMENT RESTRICTIONS

1. The Company shall not invest more than 10% of its net assets in transferable securities which are not quoted on a stock exchange or dealt on another regulated market, which operates regularly and is recognised and open to the public.
2. The Company shall not acquire more than 10% of the securities of the same nature issued by the same issuer.
3. The Company not invest more than 10% of its net assets in securities issued by the same issuer.

   The restrictions set forth under 1), 2) and 3) above are not applicable to securities issued or guaranteed by a member state of the OECD or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope.
4. The Company may not invest in voting shares of companies allowing it to exercise a significant influence in the management of the issuer.
5. The Company may not invest more than 10% of the Target Fund's net assets in units of one or more other investment fund(s).
6. The Company may not purchase real estate. Mortgage backed securities and collateralized mortgage obligations are not considered real estate for purposes of this restriction.
7. The Company may not enter into transactions involving commodities, commodity contracts or securities representing merchandise or rights to merchandise and for the purposes hereof commodities includes precious metals and certificates representing them, except that it may purchase and sell securities that are secured by commodities and securities of companies which invest or deal in commodities and that this restriction shall not prevent the Company from entering into financial futures and forward contracts (and options thereon) on financial instruments, financial indices and foreign currencies, to the extent permitted by these investment restrictions.
8. The short selling of transferable securities is not allowed for the Target Fund.
9. The Target Fund is allowed to borrow up to 10% of its net assets for the purpose of cash management only.
10. The Company may not grant loans or act as guarantor on behalf of third parties.
11. a) The Company, with respect to the Target Fund, may not invest in put or call options on securities unless:
    i. such options are quoted on a stock exchange or dealt in on a regulated market; and

ii. the acquisition price of such options does not exceed, in terms of premiums, 15% of the net assets of the Target Fund;

b) The Company may sell, on behalf of the Target Fund, call options on securities provided that:

i. such securities are already held or the Target Fund holds equivalent call options or other instruments capable of ensuring adequate coverage of the commitments resulting from such contracts, such as warrants; or

ii. the aggregate of the exercise prices of uncovered call options does not exceed 25% of the Target Fund 's net assets and the Target Fund must at any time be in the position to ensure the coverage of the position taken as a result of the writing of such options.

c) The Company may not write put options on securities unless the Target Fund holds sufficient liquid assets to cover the aggregate of the exercise prices of such options written.

12. The Company may, for the purpose of hedging currency risks, enter into futures, forward currency contracts as well as the writing of call options and the purchase of put options in currencies. Transactions made in one currency may normally not exceed the aggregate value of securities and other assets held by the Company denominated in the currency to be hedged nor may they exceed the period during which such assets are held. These limitations shall not be applicable in relation to currency hedging transactions entered into with the aim to hedge a share class with a specific reference currency against fluctuations relative to reference currency of the Target Fund it relates to. The Company may also purchase the currency concerned through a cross transaction (entered into through the same counterpart) should the cost thereof be more advantageous. Contracts or currencies must either be quoted on a stock exchange or dealt in on a regulated market, except that the Company may enter into currency forward contracts or currency swap arrangements with highly rated financial institutions specialising in this type of transactions.

13. The Company may not deal, with respect to the Target Fund, in financial futures, except that:

a) for the purpose of hedging the risk of the fluctuation of the value of its portfolio securities the Target Fund may have outstanding commitments in respect of financial futures sales contracts not exceeding the corresponding risk of fluctuation of the value of the corresponding portion of the Target Fund's portfolio;

b) for the purpose of efficient portfolio management the Company, with respect to the Target Fund, may enter into financial futures purchase contracts, provided that sufficient cash, short dated debt securities or instruments (other than the liquid assets which might have to be held by the Target Fund pursuant to restriction 11c) above), or securities to be disposed of at a predetermined value exist to match the underlying exposure of any such futures positions.

14. The Company may not deal in index options except that:

a) for the purpose of hedging the risk of the fluctuation of the securities portfolio of the Target Fund, the Company may sell call options on stock indexes or acquire put options on stock indexes. In such event the value of the underlying securities included in the relevant stock index option shall not exceed, together with outstanding commitments in financial futures contracts entered into for the same purpose, the aggregate value of the portion of the securities portfolio to be hedged; and

b) for the purpose of the efficient management of the securities portfolio of the Target Fund, the Company may acquire call options on stock indexes, provided the value of the underlying securities included in the relevant stock index options is covered by cash, short dated debt securities and instruments (other than the liquid assets which might have to be held by the Company pursuant to restrictions 11c) and 11b) or securities to be disposed of at predetermined prices; provided however that the aggregate acquisition cost (in terms of premiums paid) of options on securities and index options purchased by the Company shall not exceed 15 % of the net assets of the Target Fund at the time of purchase of such options.

15. The Target Fund may also subscribe for, acquire and/or hold shares issued or to be issued by one or more other sub-funds of the Company subject to additional requirements which may be specified in the sales documents, if:

a) the target sub-fund does not, in turn, invest in the Target Fund invested in this target sub-fund; and

b) no more than 10% of the assets of the target sub-funds whose acquisition is contemplated may, pursuant to their articles of incorporation, be invested in aggregate in units/shares of other target sub-funds of the same Undertakings for Collective Investment; and

c) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Target Fund; and

d) in any event, for as long as these securities are held by the Target Fund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 2010; and

e) there is no duplication of management/subscription or redemption fees between those at the level of the Target Fund having invested in the target sub-fund, and this target sub-fund.

The Company may enter into the transactions referred to under 11) to 14) above only if these transactions concern contracts which are traded on a regulated market operating regularly, being recognised and open to the public. However, with respect to options referred to under 11), 13) and 14) above, the Company may enter into OTC option transactions with first class financial institutions participating in this type of transactions if such transactions are more advantageous to the Company or if quoted options having the required features are not available.

If the above percentages are exceeded for reasons beyond the control of the Company as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Company's shareholders.

Pooling of assets

The Company may permit internal pooling and/or joint management of assets from the Target Fund in the interests of efficiency. In this case, assets from different sub-funds will be managed together. The assets under joint management are referred to as a "pool". Pools are used exclusively for internal management purposes, are not separate units and cannot be accessed directly by shareholders.

Pooling

The Company may invest and manage all or part of the portfolio assets held by two or more sub-funds (for this purpose called "participating sub-funds") in the form of a pool. Such an asset pool is created by transferring to it cash and other assets (if these assets are in line with the investment policy of the pool concerned) from each of the participating sub-funds to the asset pool. The Company can then make further transfers to the individual asset pools. Equally, assets can also be transferred back to a participating sub-fund up to the amount of the participation of the sub-fund concerned.

The participation of a participating sub-fund in an asset pool is evaluated by reference to notional units of the same value in the relevant asset pool. When an asset pool is created, the Company shall specify the initial value of the notional units (in a currency that the Company considers appropriate) and allot to each participating sub-fund notional units having an aggregate value equal to the amount of the cash (or other assets) it has contributed. Thereafter, the value of the notional units will then be determined by dividing the net assets of the asset pool by the number of existing notional units.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional units assigned to the participating sub-fund concerned will increase or diminish, as the case may be, by a number, which is determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of the participating sub-fund's participation in the asset pool. If cash is contributed to the asset pool, for calculation purposes it is reduced by an amount that the Company considers appropriate in order to take account of any tax expenses as well as the closing charges and acquisition costs relating to the investment of the cash concerned. If cash is withdrawn, a corresponding deduction may be made in order to take account of any costs related to the disposal of securities or other assets of the asset pool.

Dividends, interests and other income-like distributions, which are obtained from the assets of an asset pool, are allocated to the asset pool concerned and thus lead to an increase in the respective net assets. If the Company is liquidated, the assets of an asset pool are allocated to the participating sub-funds in proportion to their respective share in the asset pool.

Joint management

In order to reduce operating, administrative and management costs and at the same time to permit broader diversification of investments, the Company may decide to manage part or all of the assets of one or more sub-funds in combination with assets that belong to other sub-funds or to other undertakings for collective investment. In the following paragraphs, the term "jointly managed entities" refers globally to the Company and each of its sub-funds and all entities with or between which a joint management agreement would exist; the term "jointly managed assets" refers to the entire assets of these jointly managed entities which are managed according to the same aforementioned agreement. As part of the joint management agreement, the relevant Company's portfolio manager(s) will, on a consolidated basis for the relevant jointly managed entities, be entitled to make decisions on investments and sales of assets which have an influence on the composition of the Company's and its sub-funds' portfolio. Each jointly managed entity holds a portion in the jointly managed assets corresponding to the proportion of its net assets to the total value of the jointly managed assets. This proportionate holding (for this purpose called the "participation arrangement") applies to each and all investment categories which are held or acquired in the context of joint management. Decisions regarding investments and/or sales of investments have no effect on this participation arrangement: further investments will be allotted to the jointly managed entities in the same proportions and, in the event of a sale of assets, these will be subtracted proportionately from the jointly managed assets held by the individual jointly managed entities.

In the case of new subscriptions in one of the jointly managed entities, the subscription proceeds are to be allocated to the jointly managed entities in accordance with the changed participation arrangement resulting from the increase in net assets of the jointly managed entity having benefited from the subscriptions. The level of the investments will be modified by the transfer of assets from one jointly managed entity to the other, and thus adapted to suit the changed participation arrangement. Similarly, in the case of redemptions for one of the jointly managed entities, the necessary liquid funds shall be taken from the liquid funds of the jointly managed entities in accordance with the changed participation arrangement resulting from the reduction in net assets of the jointly managed entity which has been the subject of the redemptions, and in this case the particular level of all investments will be adjusted to suit the changed participation arrangement.

Shareholders should be aware that the joint management agreement may result in the composition of the assets of the Target Fund being affected by events which concern other jointly managed entities, e.g. subscriptions and redemptions, unless the members of the Company or one of the duly appointed agents of the Company resort to special measures. If all other aspects remain unchanged, subscriptions received by an entity under joint management with the Target Fund will therefore result in an increase in the cash reserve of the Target Fund. Conversely, redemptions of an entity under joint management with the Target Fund will result in a reduction of the cash reserve of the Target Fund. However, subscriptions and redemptions can be executed on the special account that is opened for each jointly managed entity outside the joint management agreement and through which subscriptions and redemptions must pass. Because of the possibility of posting extensive subscriptions and redemptions to these special accounts, and the possibility that the Company or one of the duly appointed agents of the Company may decide at any time to terminate the participation of the Target Fund in the joint management agreement, the Target Fund may avoid having to rearrange its portfolio if this could adversely affect the interests of the Company, its sub-funds and its shareholders.

If a change in the portfolio composition of the Company or one or several of its relevant sub-funds as a result of redemptions or payments of fees and expenses referring to another jointly managed entity (i.e. which cannot be counted as belonging to the Company or the Target Fund) might result in a violation of the investment restrictions applying to the Company or the Target Fund, the relevant assets will be excluded from the joint management agreement before implementing the change so that they are not affected by the resulting adjustments.

Jointly managed assets of the Target Fund will only be managed in common with assets intended to be invested according to the same investment objectives that apply to the jointly managed assets in order to ensure that investment decisions are compatible in all respects with the investment policy of the Target Fund. Jointly managed assets may only be managed in common with assets for which the same portfolio manager is authorised to make decisions in investments and the sale of investments, and for which the Depositary also acts as a depositary so as to ensure that the Depositary is capable of performing its functions and responsibilities in accordance with the Law of 2010 and statutory requirements in all respects for the Company and its sub-funds. The Depositary must always keep the assets of the Company separate from those of the other jointly managed entities; this allows it to determine the assets of the Company and of each individual sub-fund accurately at any time. Since the investment policy of the jointly managed entities does not have to correspond exactly with that of a sub-fund, it is possible that their joint investment policy may be more restrictive than that of that sub-fund.

The Company may decide to terminate the joint management agreement at any time without giving prior notice.

Shareholders may enquire at any time at the Company's registered office as to the percentage of jointly managed assets and entities with which there is a joint management agreement at the time of their enquiry.

The composition and percentages of jointly managed assets must be stated in the annual reports. Joint management agreements with non-Luxembourg entities are permissible if (i) the agreement in which the non-Luxembourg entity is involved is governed by Luxembourg law and Luxembourg jurisdiction or (ii) each jointly managed entity is equipped with such rights that no creditor and no insolvency or bankruptcy administrator of the non-Luxembourg entity has access to the assets or is authorised to freeze them.

Special techniques and instruments relating to transferable securities and money market instruments

Subject to the conditions and limits set out in the Law of 2010, the Company and the Target Fund may use repurchase agreements, reverse repurchase agreements, securities lending agreements and/or other techniques and instruments that have securities and money market instruments as underlying assets for efficient portfolio management purposes in accordance with the requirements defined by the CSSF (the "techniques"). If such transactions relate to the use of derivatives, the terms and limits must comply with the provisions of the Law of 2010. The use of these techniques and instruments must be in accordance with the best interests of the investors.

Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby the Target Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A securities lending agreement is an agreement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date ("securities lending").

Securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them. In the case of securities lending transactions, the Company must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Company that the value of the securities lent will be refunded.

The provisions of the section entitled "Collateral management" above shall apply accordingly to the management of collateral that was left to the Company within the scope of securities lending. In derogation from the provisions of the section entitled "Collateral management" above, shares from the finance sector are accepted as securities within the framework of securities lending. Service providers that provide services to the Company in the field of securities lending have the right to receive a fee in return for their services that is in line with the market standards. The amount of this fee is reviewed and adapted, where appropriate, by an independent body on an annual basis.

Furthermore, the Company has drawn up internal framework agreements regarding securities lending. These framework agreements contain, among other things, the relevant definitions, the description of the principles and standards of the contractual management of the securities lending transaction, the quality of the collateral, the approved counterparties, the risk management, the fees to be paid to third parties and fees to be received by the Company, as well as the information to be published in the annual and semi-annual reports.

In general, the following requirements apply to repurchase/reverse repurchase agreements and securities lending agreements:

i. Counterparties to a repurchase/reverse repurchase agreement or securities lending agreement will be entities with legal personality typically located in OECD jurisdictions and will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.
ii. The Company must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
iii. When the Company enters into a reverse repurchase agreement it must ensure that it is able at any time to recall the full amount of cash (including the interest incurred up to the time of being recalled) or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase

agreement should be used for the calculation of the net asset value of the Target Fund. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

iv. When the Company enters into a repurchase agreement it must 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 agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

v. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the Alternative Investment Fund Managers Directive 2011/61/EU.

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

vii. Any direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Target Fund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the respective annual or semi-annual report of the Company, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

The Company and the Target Fund may under no circumstances deviate from their investment objectives for these transactions. Equally, the use of these techniques may not cause the risk level of the Target Fund to increase significantly with regard to its original risk level (i.e. without the use of these techniques).

With regards to the risks inherent to the use of these techniques, reference is made here to the information contained in the section entitled "Risks connected with the use of efficient portfolio management techniques" above.

The Company ensures that it or its appointed service providers will monitor and manage the risks incurred through the use of these techniques, particularly counterparty risk, as part of the risk management procedure. The monitoring of potential conflicts of interest arising from transactions with companies associated with the Company, the Management Company and the Depositary is primarily carried out through reviewing the contracts and corresponding processes on a regular basis. Furthermore, the Company ensures that, despite the use of these techniques and instruments, the investors' redemption applications can be processed at any time.

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 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 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. 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 law or guidelines due to factors such as human error, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
Performance risk	This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.
Inflation risk	This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Loan financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan 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 net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.
Operational risk	Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

	SPECIFIC RISKS OF THE FUND
Concentration risk	This Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions. We also are 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.
Liquidity risk	Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold below its fair value which would adversely affect the NAV of the Fund. Upon such event and in the best interest of the Unit Holders, the Trustee may suspend the repurchase of Units requests. Please refer to "*What Is The Process of Repurchase Application*" on page 38 for more details. This is the risk that the units 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 units of the Target Fund. The Target Fund Manager may suspend the realisation of units, 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.
Country risk	Investments of the Fund in the Target Fund which is domiciled in Luxembourg may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of Luxembourg. For example, the deteriorating economic condition of that country may adversely affect the value of the investments undertaken by the Fund and in turn may cause the NAV of the Fund to fall.
Currency risk	As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gain or loss arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. ***Currency risk at the Fund level*** The impact of the exchange rate movement between the Base Currency and the currency of the underlying investments (other than in USD) may result in a depreciation of the value of the investments as expressed in the Base Currency. ***Currency risk at the Class level*** The impact of the exchange rate movement between the Base Currency and the currency of the respective Classes (other than USD Class) may result in a depreciation of your holdings as expressed in the Base Currency. ***Currency risk at the Hedged-class level*** Currency hedging reduces the effect of exchange rate movements for the Hedged-class, but it does not entirely eliminate currency risk between the Hedged-class and the Base Currency (not a perfect hedge). Hence, the unhedged portion of the respective Hedged-class will 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 Fund would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is

	SPECIFIC RISKS OF THE FUND
	subject to a minimum investment size of entering into a forward contract and cost of hedging which may affect returns of the respective Hedged-class.
Target Fund Manager risk	As a feeder fund, the Fund invests into the Target Fund which is managed by the Target Fund Manager. We have no control over the investment technique and knowledge, operational controls and management of the Target Fund Manager. In the event of any mismanagement of the Target Fund, the NAV of the Fund, which invests substantially all of its assets into the Target Fund, would be affected adversely.

	GENERAL RISKS OF THE TARGET FUND
Market risk	The investments of the Company are subject to normal market fluctuations and the risks inherent in equity or fixed-income securities and similar instruments and there can be no assurances that appreciation will occur. The price of shares can go down as well as up and investors may not realise their initial investment. Although the Target Fund Manager will attempt to restrict the exposure of the Company to market movements, there is no guarantee that this strategy will be successful.
Currency risk	The shares may be denominated in different currencies and shares will be issued and redeemed in those currencies. Certain of the assets of the Company may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company will be subject to foreign exchange risks. The Company may engage in currency hedging but there can be no guarantee that such a strategy will prevent losses. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the reference currency of the Target Fund and such other currencies.
Emerging markets	Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity. The following is an overview of the general risks entailed by involvement in the emerging markets: – Counterfeit securities - due to the weakness in supervisory structures, securities purchased by the Target Fund may be counterfeit. Hence it is possible to suffer losses. – Liquidity difficulties - the buying and selling of securities can be costlier, lengthier and in general more difficult than is the case in more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility. – Currency fluctuations - the currencies of countries in which the Target Fund invests, compared with the currency of account of the Target Fund, can undergo substantial fluctuations once the Target Fund has invested in these currencies. Such fluctuations may have a significant effect on the Target Fund's income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries. – Currency export restrictions - it cannot be excluded that emerging markets limit or temporarily suspend the export of currencies. Consequently, it may not be possible for the Target Fund to repatriate sales proceeds without delays. – Settlement and custody risks - the settlement and custody systems in emerging market countries are not as well developed as those in developed markets. Standards are not as high and the supervisory authorities not as experienced. Consequently, settlement may be delayed, thereby posing disadvantages for liquidity and securities. – Restrictions on buying and selling - in some cases, emerging markets can place restrictions on the buying of securities by foreign investors. Some securities are

	GENERAL RISKS OF THE TARGET FUND
	thus not available to the Target Fund because the maximum number allowed to be held by foreign unitholders has been exceeded. In addition, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should the Target Fund be barred due to such a restriction from selling its securities in an emerging market, it will try to obtain an exceptional approval from the authorities responsible or to counter the negative impact of this restriction through its investments in other markets. The Target Fund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed. – Accounting - the accounting, auditing and reporting standards, methods, practices and disclosures required by companies in emerging markets differ from those in developed markets in respect of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options.

	SPECIFIC RISKS OF THE TARGET FUND
China market risk	Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as Chinese A-shares. The Target Fund is not a bank deposit and is not guaranteed. There is no guarantee of the repayment of the principal investment. The profitability of the investments of the Target Fund could be adversely affected by a worsening of general economic conditions in the PRC or global markets. Factors such as PRC government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the PRC financial markets and the level and volatility of equity prices could significantly affect the value of a Target Fund's underlying investments and thus the share price. The choice of A-shares currently available to the Target Fund Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the A-share markets, which are relatively smaller in terms of both combined total market value and the number of shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility. The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. However, the effects of such reform on the A-share market as a whole remain to be seen. In addition, there is a relatively low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Further, regulations continue to develop and may change without notice which may further delay redemptions or restrict liquidity. There may not be regulation and monitoring of the Chinese securities markets and activities of investors, brokers and other participants equivalent to that in certain more developed markets. PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards. Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the

	SPECIFIC RISKS OF THE TARGET FUND
	settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties. In addition, the PRC laws for investor protection are still in developing stage and may be less sophisticated than those in developed countries. Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments. The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the Target Fund. In light of the above mentioned factors, the price of A-shares may fall significantly in certain circumstances.
QFII / RQFII risk	**QFII / RQFII Quota** Under the prevailing regulations in the PRC, foreign investors can invest in the A-share market and other QFII / RQFII permissible securities through institutions that have obtained qualified status such as QFII and/or RQFII status in the PRC. The current QFII and RQFII regulations impose strict restrictions (such as investment guidelines) on A-share investments. The Target Fund is not a QFII nor RQFII, but may invest directly in A-shares and other QFII / RQFII permissible securities via the QFII and/or RQFII status of the Target Fund Manager. All or most of the Target Fund's investments in the PRC will be made and held through the QFII and/or RQFII quotas of UBS Asset Management (Singapore) Ltd. and/or UBS Asset Management (Hong Kong) Limited. Potential investors should note that there is no guarantee that the Target Fund will continue to benefit from the QFII / RQFII quota(s) of the Target Fund Manager nor that it will be made exclusively available to the Target Fund. The Target Fund may also seek exposure to QFII/RQFII permissible securities through QFII / RQFII quotas granted to other QFIIs / RQFIIs. The Target Fund Manager has assumed dual roles as the Target Fund Manager of the Target Fund and the holder of the QFII / RQFII quota applicable to the Target Fund. The Target Fund Manager will ensure all transactions and dealings will be dealt with having regard to the constitutive documents of the Target Fund as well as the relevant laws and regulations applicable to the Target Fund Manager. In the event that conflicts of interest arise, the Company will in conjunction with the Depositary and PRC Sub-Custodian (as defined below) seek to ensure that the Target Fund is managed in the best interests of shareholders and the shareholders are treated fairly. There can be no assurance that the Target Fund Manager will be able to allocate a sufficient portion of its QFII and/or RQFII quota to meet all applications for subscription to the Target Fund, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in QFII / RQFII repatriation restrictions. Such restrictions may result in suspension of dealings of the Target Fund. QFII / RQFII restrictions on investment apply to the quota granted to a QFII / RQFII as a whole and not simply to investments made by the Target Fund. Consequently, investors should be aware that violations of the QFII / RQFII regulations on investment arising out of activities related to portions of the investment quota allocated to another client of the QFII / RQFII or another sub-fund through whom the Target Fund invests could result in the revocation of or other regulatory action in respect of the investment quota of the QFII / RQFII as a whole, including any portion utilised by the Target Fund. Likewise, limits on investment in A-shares, and the regulations relating to the repatriation of capital and profits may apply in relation to

	SPECIFIC RISKS OF THE TARGET FUND
	the quota held by the Target Fund Manager as a whole. Hence the ability of the Target Fund to make investments and/or repatriate monies from the Target Fund Manager's QFII and/or RQFII quota may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors or other sub-fund(s) utilising the Target Fund's QFII and/or RQFII quota. Should the Target Fund Manager lose its QFII / RQFII status or retire or be removed, or the Target Fund Manager's QFII / RQFII quota be revoked or reduced, the Target Fund may not be able to invest in A-shares or other QFII / RQFII permissible securities through the Target Fund Manager's QFII / RQFII quota, and the Target Fund may be required to dispose of its holdings, which would likely have a material adverse effect on the Target Fund. Investors should note that the Target Fund Manager's QFII and/or RQFII quota is subject to a minimum asset allocation (as a percentage of aggregate investment in QFII / RQFII permissible securities or otherwise required/agreed/prescribed by PRC regulators) as required/agreed/prescribed by PRC regulators. Accordingly if the Target Fund invests in QFII / RQFII permissible securities, the implementation of the investment policy is restricted by such asset allocation requirement which applies at an aggregated level among all sub-funds utilizing the same Target Fund Manager's QFII and/or RQFII quota. For example, without limitation, the QFII quota of UBS Asset Management (Hong Kong) Limited is currently subject to a minimum allocation in equity or equity related securities (in terms of aggregate investment in QFII permissible securities) as required/agreed/prescribed by PRC regulators and with respect to the Mainland China Fixed Income (USD) sub-fund: i. it could be restricted from making further investments in fixed income products in the PRC; or ii. it is required to, without prior notification to the shareholders, liquidate its investments in fixed income products in the PRC regardless of the prevailing market conditions and compulsorily redeem the shares of the Mainland China Fixed Income (USD) sub-fund on a pro rata basis among shareholders, if the QFII quota of UBS Asset Management (Hong Kong) Limited as a whole is not in compliance with the applicable asset allocation requirement taking into account of investments of other sub-funds (e.g. China A Opportunity (USD)) utilizing the same QFII quota. **QFII / RQFII Regulations** The QFII / RQFII regulations which regulate investments by QFIIs / RQFIIs in the PRC and the repatriation and currency conversion are relatively new. The application and interpretation of the QFII / RQFII regulations are therefore relatively untested and there is uncertainty as to how they will be applied. The China Securities Regulatory Commission ("CSRC") and the PRC State Administration of Foreign Exchange ("SAFE") have been given wide discretions in the QFII / RQFII regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this stage of early development, the QFII / RQFII regulations may be subject to further revisions in the future. There is no assurance whether such revisions will prejudice the QFII / RQFII, or whether the QFII / RQFII quota of the Target Fund Manager (including the quota utilised by the Target Fund) which are subject to review from time to time by CSRC and SAFE may be removed substantially or entirely. There are rules and restrictions under current QFII / RQFII regulations including rules on investment restrictions, minimum investment holding periods, and repatriation of principal and profits. Transaction sizes for QFIIs / RQFIIs are large and there can be lock-up restrictions on repatriation of principal invested by a QFII / RQFII in the PRC. In extreme circumstances, the Target Fund may incur significant loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to QFII / RQFII investment restrictions, illiquidity of the A-share/bond market, and/or delay or disruption in execution of

trades or in settlement of trades.

Investors should also note that direct investments in A-shares through QFIIs / RQFII are subject to compliance with various investment restrictions currently imposed under QFII / RQFII regulations in the PRC, as amended from time to time, which are applied on each QFII / RQFII and which will affect the ability of the Target Fund to invest in A-shares. Examples are as follows:

- shares held by each underlying foreign investor investing through a QFII / RQFII quota in one listed company should not exceed the regulatory limit (currently at 10% of the total outstanding shares of the company) as prescribed by applicable regulations or competent authorities from time to time;
- total shares held by all QFIIs / RQFIIs (and where applicable, other foreign institutions that have obtained relevant qualified status) in one listed company should not exceed the regulatory limit (currently at 30% of the total outstanding shares of the company) as prescribed by applicable regulations or competent authorities from time to time; and the investments should comply with the requirements as set out in the Guidance Catalogue on Industries for Foreign Investment.

Besides the Target Fund Manager's QFII and/or RQFII quota which is utilised by the Target Fund, the Target Fund Manager may have other QFII and/or RQFII quotas which are utilised by other funds, other than the Target Fund and clients of the Target Fund Manager.

Violations of the QFII / RQFII regulations by the Target Fund Manager or arising out of the activities relating to the use of any QFII / RQFII quota granted to the Target Fund Manager could result in the revocation of or other regulatory action in respect of such quota or quotas granted to the Target Fund Manager, which could directly impact the Target Fund.

PRC Broker

The Target Fund Manager as QFII / RQFII will also select brokers ("PRC Brokers") to execute transactions for the Target Fund in the PRC markets. The Target Fund may incur losses due to the acts or omissions of the PRC Brokers or the PRC custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. The Target Fund will use PRC Brokers appointed by the Target Fund Manager to execute transactions in the PRC markets for the account of the Target Fund. The Target Fund may have difficulty in obtaining best execution of transactions in QFII / RQFII permissible securities subject to restriction/limitations under applicable QFII / RQFII regulations or operational constraints such as the restriction/limitation as to the number of brokers that the Target Fund Manager as QFII / RQFII may appoint. If a PRC Broker offers the Target Fund standards of execution which the Target Fund Manager reasonably believes to be amongst best practice in the PRC marketplace, the Target Fund Manager may determine that they should consistently execute transactions with that PRC Broker (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the Target Fund in respect of the difference between the price at which the Target Fund executes transactions and any other price that may have been available in the market at that relevant time.

Custody

The Depositary acts as the depositary of the Target Fund and holds the assets. The Target Fund and the Depositary will appoint a sub-custodian for the Target Fund (the "PRC Sub-Custodian"), where the PRC Sub-Custodian will hold the assets of Target Fund invested in the PRC through the Target Fund Manager's QFII quota and/or the Target Fund Manager's RQFII quota respectively.

Any QFII / RQFII permissible securities acquired by the Target Fund through a Target Fund Manager's QFII and/or RQFII quota will be maintained by the PRC Sub-Custodian in separate securities account(s) and will be registered for the sole benefit and use of the Target Fund or the Company (on behalf of the Target Fund) subject to applicable

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	laws. There will be segregation of assets by the PRC Sub-Custodian such that the assets of the Target Fund will not form part of the assets of the Target Fund Manager as QFII and/or RQFII, the PRC Sub-Custodian, or the PRC Brokers. However, subject to the investment regulations, the Target Fund Manager (as QFII / RQFII) could be the party entitled to the securities in such securities account(s) (albeit that this entitlement does not constitute an ownership interest or preclude the Target Fund Manager purchasing the securities on behalf of the Target Fund), such securities may be vulnerable to a claim by a liquidator of the Target Fund Manager and may not be as well protected as if they were registered solely in the name of the Target Fund. In particular, there is a risk that creditors of the Target Fund Manager may incorrectly assume that the Target Fund's assets belong to the Target Fund Manager and such creditors may seek to gain control of the Target Fund's assets to meet the Target Fund Manager's liabilities owed to such creditors. Investors should note that cash deposited in the cash account of the Target Fund with the PRC Sub-Custodian will not be segregated but will be a debt owing from the PRC Sub-Custodian to the Target Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Sub-Custodian. In the event of bankruptcy or liquidation of the PRC Sub-Custodian, the Target Fund will not have any proprietary rights to the cash deposited in such cash account, and the Target Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors of the PRC Sub-Custodian. The Target Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Target Fund will suffer losses. **Limits on Redemption** Where the Target Fund is invested in the securities market in the PRC by investing through a Target Fund Manager's QFII and/or RQFII quota, repatriation of invested principal and income from the PRC will be subject to the QFII / RQFII regulations in effect from time to time including any regulatory requirements applicable to (including but not limited to) lock-up period, frequency and limits on repatriation or withdrawal of investments in such A-shares and other QFII / RQFII permissible securities. Where a RQFII fails to effectively utilise the RQFII quota within 1 year upon obtaining the RQFII quota, SAFE may reduce or even revoke its RQFII quota depending on the relevant circumstances. As utilization of the Target Fund Manager's RQFII quota may depend on the subscription level of the Target Fund and redemptions by investors of the Target Fund, this might result in the Target Fund Manager's RQFII quota being reduced or revoked. The Target Fund Manager may obtain additional QFII quota (the "Additional QFII Quota") / RQFII quota (the "Additional RQFII Quota") from SAFE to be utilised by the Target Fund from time to time. Each Additional QFII Quota / Additional RQFII Quota may be open to a different share class for investors. Utilisation of the Additional QFII Quota / Additional RQFII Quota is subject to the applicable QFII / RQFII regulations. Under current QFII regulations applicable to the Target Fund investing in QFII permissible securities, since the Target Fund /the Company (as the case may be) qualifies as an open-ended fund (as defined under the QFII regulations), no lock-up period is applicable to the capital invested into the PRC by the Target Fund through the Target Fund Manager's Additional QFII Quota. Under the current RQFII regulations applicable to the Target Fund investing in RQFII permissible securities, since the Target Fund /the Company (as the case may be) qualifies as an open-ended fund (under the RQFII regulations), no lock up period is applicable to the capital invested into the PRC by the Target Fund through the Target Fund Manager's RQFII quota. Remittance and repatriation for the account of the Target Fund may be effected by the PRC Sub-Custodian through the Target Fund Manager's QFII quota by reference to the net subscriptions and redemption of shares of the Target Fund /Company (as the

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	case may be) up to a monthly net repatriation limit (including profit and principal of 20% of the total assets value of the Target Fund /Company (as the case may be) in the PRC invested under the Target Fund Manager's QFII quota as of the end of the immediately preceding calendar year. Remittance and repatriation for the account of the Target Fund may be effected by the PRC Sub-Custodian through the Target Fund Manager's RQFII quota by reference to the net subscriptions and redemption of shares of the Target Fund/Company (as the case may be). The relevant QFII / RQFII regulations are subject to uncertainty in their application. The investment regulations and/or the approach adopted by SAFE in relation to the repatriation limit may change from time to time. A repatriation of principal and/or profits over and above the applicable limit will require approval from SAFE which may delay payment of redemption proceeds; there is no assurance that such approval will be granted, and shares cannot be redeemed unless and until such approval has been obtained. In addition, as the Target Fund Manager's QFII / RQFII quota value could be affected by the amount repatriated (by reference to the repatriated principal and profits amounts), large redemptions by investors of the Target Fund might affect the ability of the Target Fund Manager to remit funds back to the PRC through its QFII / RQFII quota thereafter. Investors should be aware that owing to investment and repatriation restrictions, the Target Fund may need to maintain relatively high cash balances. This may result in lesser amounts being invested than would otherwise be the case if such investment and repatriation restrictions did not apply. **Investment Restrictions** Since there are limits on the total shares held by all underlying investors and/or all QFII / RQFII holders in one PRC listed company under the QFII / RQFII regulations, the capacity of the Target Fund to make investments in A-shares will be affected by the activities of all underlying investors and/or all QFII / RQFII holders. The above mentioned investment restrictions will be applied to all underlying investors and/or all QFII / RQFII holders. Therefore, it will be difficult in practice for the Target Fund Manager, as a QFII and/or RQFII, to monitor the investments of the underlying investors of the Target Fund since an investor may make investment through different QFIIs / RQFII. It is also practically difficult for the Target Fund Manager to monitor the investments made by other QFIIs / RQFIIs. **Disclosure of Interests and Short Swing Profit Rule** Under the PRC disclosure of interest requirements, the Target Fund may be deemed to be acting in concert with other funds or sub-funds managed within the Target Fund Manager's group or a substantial shareholder of the Target Fund Manager's group and therefore may be subject to the risk that the Target Fund's holdings may have to be reported in aggregate with the holdings of such other funds or sub-funds mentioned above should the aggregate holding triggers the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose the Target Fund's holdings to the public with an adverse impact on the performance of the Target Fund. In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the Target Fund's investments with the result that where the holdings of the Target Fund (possibly with the holdings of other investors deemed as concert parties of the Target Fund) exceed 5% of the total issued shares of a PRC listed company, the Target Fund may not reduce its holdings in such company within six months of the last purchase of shares of such company. If the Target Fund violates the rule and sells any of its holdings in such company in the six month period, it may be required by the listed company to return any profits realised from such trading to the listed company. Moreover, under PRC civil procedures, the Target Fund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the

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	Target Fund.
Liquidity risk	The small size of some of the stock markets through which the Target Fund will invest may result in significant price volatility and a potential lack of liquidity. RMB denominated debt instruments are not regularly traded and may have lower trading volumes than other more developed markets. An active secondary market for these instruments is yet to be developed. The bid and offer spread of the price of RMB denominated debt instruments may be large and the Target Fund may incur significant trading and realisation costs.
Low level of monitoring risk	The regulatory framework of stock markets within the PRC is still developing when compared with many of the world's leading stock markets and accordingly there may be a lower level of monitoring of the activities of such stock markets.
Accounting standards and disclosure risk	Accounting, auditing and financial reporting standards in the PRC may be less rigorous than international standards. As a result, certain material disclosures may not be made by some companies.
Currency risk of the RMB	If the currency of account of the Target Fund is USD, the Target Fund will be directly exposed to any fluctuation in the exchange rate between USD and RMB. In this scenario, the Target Fund invests primarily in securities denominated in RMB but its net asset value, subscription and redemption will be quoted in USD. Because the Target Fund Manager's QFII quota is denominated in USD, the Target Fund has to remit USD into the PRC and then convert into RMB to invest. With respect to the Target Fund Manager's RQFII quota, this is denominated in RMB and the Target Fund has to convert USD into RMB before remitting the sum into the PRC. Accordingly, a change in value of RMB against USD will result in a corresponding change in the USD net asset value of the Target Fund. For the purposes of investment through QFII / RQFII, RMB are exchangeable into USD at prevailing market rates. The PRC government's control of currency exposure and future movements in exchange rates may adversely affect the operations and financial results of companies invested in by the Target Fund. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. If such policies or restrictions change in the future, the position of the Target Fund or its investors may be adversely affected. Conversion between RMB and USD is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability of the Target Fund to convert between RMB and USD in respect of its onshore and offshore investments, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. There is no guarantee that RMB will not depreciate. The Target Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in capital loss to the Target Fund and its investors.
Concentration risk	The Target Fund is highly specialised. Although the Target Fund's portfolio is well diversified in terms of the number of holdings, investors should be aware that this Target Fund is likely to be more volatile than a broad-based Target Fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the country in which it invests.
Hedging risk	The Target Fund Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market and currency risks. There is no guarantee that hedging techniques will achieve their desired result.
Settlement risk	In the PRC, some securities transactions are not settled on a delivery versus payment basis, as a result of which the Target Fund may have an exposure to settlement risk.
Connected party risk	The Target Fund will be investing in QFII / RQFII permitted securities via the QFII /

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	RQFII status of the Target Fund Manager. Although the Target Fund Manager and the Depositary are part of the UBS group each entity will operate independently in assuming their respective duties and obligations in relation to the Target Fund and are subject to the supervision of their relevant regulators. All transactions and dealings between such entities in relation to the Target Fund will be dealt with on arm's length basis having regard to the constitutive documents of the Target Fund as well as the relevant regulatory codes applicable to such entities. In the unlikely event that conflicts of interest arise, the Target Fund in conjunction with the Depositary will seek to ensure that the Target Fund is managed in the best interest of shareholders and that shareholders are treated fairly.
Clearing reserve fund risk	Under the QFII / RQFII regulations, the PRC Sub-Custodian is required to deposit a minimum clearing reserve fund, the percentage amount to be determined from time to time by the China Securities Depository and Clearing Corporation Limited (Shanghai and Shenzhen branches) (the "CSDCC"). The PRC Sub-Custodian will deposit a part of the assets of the Target Fund representing a percentage of the Target Fund Manager's QFII / RQFII quota as part of its minimum clearing reserve fund. The minimum clearing reserve ratio is determined by the CSDCC from time to time and will be deposited by the PRC Sub-Custodian into its minimum clearing reserve fund. In times of rising PRC securities values, the assets of the Target Fund retained in the clearing reserve fund may have a negative impact on the performance of the Target Fund and, conversely, in times of falling PRC security values may cause the Target Fund to perform better than might otherwise have been the case.
PRC tax risk factors	There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realized or interest arising from the Target Fund's investments in PRC securities (which may have retrospective effect). Any increased tax liabilities on the Target Fund may adversely affect the Target Fund's value. Based on professional and independent tax advice, the tax provisioning policy of the Target Fund is as follows: (i) Provide for 10% Withholding Income Tax ("WIT") in respect of interest income received where such WIT has not been withheld by the PRC issuers, or in respect of interest income accrued, with regard to non-government onshore PRC bonds. (ii) Provide for 6.3396% Value Added Tax ("VAT") (including surcharges) in respect of interest income received where such VAT has not been withheld by the PRC issuers, or in respect of interest income accrued, with regard to non-government onshore PRC bonds (this VAT provision applies from 1 May 2016). Upon any further changes to tax law or policies, the board of directors, in consultation with the Target Fund Manager, will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. The amount of any such tax provision will be disclosed in the accounts of the Target Fund. If the actual applicable tax levied by PRC tax authorities is greater than that provided for by the Target Fund Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Target Fund may suffer more than the tax provision amount as the Target Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new shareholders will be disadvantaged. On the other hand, if the actual applicable tax levied by PRC tax authorities is less than that provided for by the board of directors so that there is an excess in the tax provision amount, shareholders who have redeemed the shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the overprovision. In this case, the then existing and new shareholders may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the Target Fund.

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Risk information on investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect ("Stock Connect")	**Risks relating to securities trading in mainland China via Stock Connect** If the Target Fund’s investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. In particular, investors should note that Stock Connect is a new trading programme. There is currently no empirical data. Furthermore, the corresponding provisions could change in future. Stock Connect is subject to quota limits that could restrict the Target Fund's ability to perform transactions via Stock Connect in a timely manner. This could impair the Target Fund's ability to effectively implement its investment strategy. The scope of Stock Connect initially encompasses all securities included on the SSE 180 Index and SSE 380 Index, as well as all Chinese A-shares listed on the Shanghai Stock Exchange ("SSE"). It also extends to all securities included in the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index with a market capitalisation of at least RMB 6 billion, as well as to all Chinese A-shares listed on the Shenzhen Stock Exchange ("SZSE"). Investors should also note that under the applicable regulations, a security can be removed from the Stock Connect programme. This could have an adverse effect on the Target Fund's ability to achieve its investment objective, for example if the Target Fund Manager wishes to acquire a security that has been removed from the Stock Connect programme. **Beneficial owner of SSE and/or SZSE shares** Stock Connect consists of the 'northbound' link, through which investors in Hong Kong and abroad, such as the Target Fund, may acquire and hold Chinese A-shares listed on the SSE ("SSE shares") and/or SZSE ("SZSE shares"), and the 'southbound' link, through which investors in mainland China may acquire and hold shares listed on the Hong Kong Stock Exchange ("SEHK"). The Target Fund trades in SSE shares and/or SZSE shares through its broker which is associated with the Company's sub-custodian and admitted to the SEHK. After settlement by brokers or depositaries (the clearing agents) these SSE shares and/or SZSE shares shall be held in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by Hong Kong Securities and Clearing Company Limited ("HKSCC"), the central securities depositary in Hong Kong and the nominee. HKSCC in turn holds the SSE shares and/or SZSE shares of all participants in a "Single Nominee Omnibus Securities Account", which is registered in its name with ChinaClear, the central securities depository in mainland China. Since HKSCC is only the nominee and not the beneficial owner of the SSE shares and/or SZSE shares, if HKSCC were to be wound down in Hong Kong, the SSE shares and/or SZSE shares would not be deemed part of HKSCC's general assets available for distribution to creditors, even under PRC law. However, HKSCC is not required to take legal measures or initiate legal proceedings to enforce rights on behalf of investors in SSE shares and/or SZSE shares in mainland China. Foreign investors - such as the Target Fund - who invest through Stock Connect and hold SSE shares and/or SZSE shares via HKSCC are the beneficial owners of the assets and are therefore entitled to exercise their rights exclusively through the nominee. **Not protected by the Investor Compensation Fund** Investors should note that neither northbound nor southbound transactions via Stock Connect are covered by the Investor Compensation Fund in Hong Kong or the China Securities Investor Protection Fund. Investors are therefore not protected against these measures. The Investor Compensation Fund in Hong Kong was set up to compensate investors of any nationality who sustain monetary damages as a result of a licensed intermediary or an authorised financial institution defaulting on payments in connection with exchange-traded products in Hong Kong. Examples of payment defaults are insolvency, bankruptcy or winding up, breach of fiduciary duty, misappropriation, fraud or unlawful transactions. **Risk of quotas being used up** Once the daily quotas for northbound and southbound transactions have been

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	reached, acceptance of corresponding purchase orders will be immediately suspended and no further purchase orders will be accepted for the rest of the day. Purchase orders that have already been accepted are not affected in the event the daily quota is used up. Sell orders will continue to be accepted. **Risk of ChinaClear payment default** ChinaClear has set up a risk management system and has taken measures that have been approved by the China Securities Regulatory Commission ("CSRC") and that are subject to its supervision. Under the general CCASS rules, should ChinaClear (as the central counterparty) not meet its obligations, HKSCC shall attempt, where applicable, in good faith to claim the outstanding Stock Connect securities and ChinaClear funds via the available legal channels and during the winding up of ChinaClear. HKSCC shall, in turn, distribute the Stock Connect securities and/or funds that can be reclaimed pro rata to qualified participants in accordance with the regulations of the competent Stock Connect authority. Investors should be aware of these regulations and the potential risk of a payment default by ChinaClear before investing in the Target Fund and its participation in northbound trading. **Risk of HKSCC payment default** Should HKSCC be delayed in fulfilling its obligations, or even fail to do so altogether, this could lead to settlement default or the loss of Stock Connect securities and/or associated funds. The Target Fund and its investors could incur losses as a result. Neither the Target Fund nor the Target Fund Manager is responsible or liable for such losses. **Ownership of Stock Connect securities** Stock Connect securities are unsecuritised and held by HKSCC on behalf of their holders. The physical deposit and withdrawal of Stock Connect securities are not available to the Target Fund under northbound trading. The ownership and ownership rights of the Target Fund and entitlements to Stock Connect securities (regardless of the legal nature thereof, in equity jurisprudence or otherwise) are subject to the applicable requirements, including the laws on the disclosure of interests and the restrictions on foreign share ownership. It is unclear whether the Chinese courts recognise investors and would grant them standing to initiate legal proceedings against Chinese companies in the event of disputes. This is a complex legal area and investors should seek independent professional advice.

DEALING INFORMATION

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

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

WHO IS ELIGIBLE TO INVEST?

- You must be a Sophisticated Investor in order to invest in this Fund. Please refer to the "Glossary" chapter of this Information Memorandum for the details.

HOW TO PURCHASE UNITS?

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

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

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- Bank Transfer

  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.affinhwangam.com.

- Cheque, Bank Draft or Money Order

  Issuance of cheque, bank draft or money order should be made payable to "Affin Hwang Asset Management Berhad-CTA", crossed and drawn on a local bank. You are to write your name, identity card number or business registration number at the back of the cheque, bank draft or money order.

- Bank charges or other bank fees, if any, will be borne by you.

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

- During the initial offer period, if we receive your purchase application on a Business Day, we will create your Units based on the initial offer price of the Fund. After the initial offer period, 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 prior arrangement is made to our satisfaction.
- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.
- 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:-
  - withdraw your Units of the Fund; or
  - transfer your Units to a non-US Person;

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

HOW TO REPURCHASE UNITS?

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

USD Class	MYR Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class
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 you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, you may be required to make an application to repurchase all your Units for that particular Class. At our discretion, we may reduce the minimum Units of repurchase.

  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 of the Fund.

- 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 Days.
- 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.
- Any incurred bank charges and other bank fees due to a bank transfer or other special arrangement method will be borne by you.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

- During the initial offer period, if we receive your repurchase application on a Business Day, we will repurchase your Units based on the initial offer price of the Fund. After the initial offer period, 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"), 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.
- In addition, the Trustee may suspend the repurchase of Units requests:

  (i) where the Trustee considers that it is not in the interests of the existing Unit Holders to permit the assets of the Fund to be sold or that the assets cannot be liquidated at an appropriate price or on adequate terms and immediately call a Unit Holders' meeting to decide on the next course of action; or

  (ii) without the consent of the Unit Holders, due to exceptional circumstances when there is a good and sufficient reason to do so having regard to the interests of the Unit Holders. In such case, the period of the suspension shall not exceed 21 days of the commencement of the suspension.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within fourteen (14) days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable.

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.
- During the initial offer period, the Selling Price and Repurchase Price for all Classes is equivalent to the initial offer price of each Class and thereafter, the NAV per Unit of the respective Class. Forward Pricing will be used to determine the Selling Price and the Repurchase Price of the respective Class after the initial offer period, 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.
- You may obtain a copy of the Information Memorandum, PHS and application forms from the abovementioned location. Alternatively, you may also visit our website at www.affinhwangam.com.

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 NAV per Unit and the Sales Charge of the particular Class, on the day those Units were first purchased and you will be refunded within ten (10) days from the 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 trusts, you are not entitled to this right.

WHAT IS THE PROCESS OF COOLING-OFF APPLICATION?

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

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

WHAT ARE THE SWITCHING OPTIONS?

You are able to switch:

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

However, you must meet the Fund's minimum holding of Units requirements and the minimum investment amount of the fund (or its class) that you intend to switch into.

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 Fund into other funds 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.

  You should note that the pricing day of a fund (or its class) may not be of the same day as 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	Money market fund	T Day	T Day
Money market fund	Non-money market fund		
Non-money market fund	Non-money market fund		
Money market fund	Money market fund (which adopts historical pricing policy)	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 and RMB value. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder of a Class.

  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 which the Classes are denominated. You have the option to receive the income distribution in cash payment or additional Units (by way of reinvestment) by ticking the appropriate column in the application form. All distribution will be automatically reinvested into additional Units in the Fund if you do not select the mode of distribution in the application form.

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

  Cash Payment Process

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

  Reinvestment Process

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

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began operations under the name Hwang–DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group ("Affin") and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has more than 15 years' experience in the fund management industry. Additionally, AHAM is also 30% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise.

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 its 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. Huang Juin Hao @ Ooi Juin Hao – Senior Portfolio Manager

Huang Juin Hao joined Affin Hwang Asset Management in March 2015. Juin Hao possesses more than 7 years of experience in Asia Ex-Japan equities from working in both Buy and Sell-side firms as a Senior Analyst with CIMB-Principal Asset Management, Hong Leong Investment Bank and Public Mutual. He has also worked as an engineer in the telecom and technology space.

Juin Hao graduated with a Bachelor's degree in Electronics and Electrical Engineering (2nd Upper Honours) from Edinburgh University, UK in 2001.

ABOUT THE TRUSTEE - TMF TRUSTEES MALAYSIA BERHAD

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

Duties and Responsibilities of the Trustee

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

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), participate in any increase in the value of the Units and to enjoy other such rights and privileges as set out under the Deed;

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

(c) To receive quarterly and annual reports.

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

You are not liable to the following:-

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

(b) For any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and 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

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

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 of Units, as the case may be, whichever is less, summon a meeting of the Unit Holders of the Fund or of that Class of Units 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 of Units, as the case may be; and

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

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

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

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

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

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

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

Unit Holders' Meeting convened by the Manager or Trustee

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.

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 6.9.1 of the Deed; and

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

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 of Units

The Manager may terminate a particular Class of Units via the passing of a Special Resolution by the Unit Holders of such Class of Units 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 of Units if the termination of that Class of Units does not prejudice the interests of Unit Holders of any other Class of Units. For the avoidance of doubt, the termination of a Class of Units shall not affect the continuity of any other Class of Units of the Fund.

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

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

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

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

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 prevailing 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 unless the total impact on your account is less than USD 10.00 or its foreign currency equivalent, if applicable. 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

POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

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. In structuring the portfolio of the Fund, we will maintain sufficient liquid assets to ensure short term liquidity in the Fund to meet operating expenses.

UNCLAIMED MONIES

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be paid to the Registrar of Unclaimed Monies by the Manager in accordance with the requirements of the Unclaimed Moneys Act 1965.

INVESTORS INFORMATION

How can I keep track of my investment?

You may obtain the daily Fund price from our website at www.affinhwangam.com. The daily prices are based on information available one (1) Business Day prior to publication.

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

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

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

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

Pursuant to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and SC's Guidelines on Prevention of Money Laundering and Terrorism Financing for Capital Market Intermediaries, 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 failed 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 OFFICE

AFFIN HWANG ASSET MANAGEMENT BERHAD:

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

PENANG
No. 10-C-23 & 10-C-24, Precinct 10
Jalan Tanjung Tokong
10470 Penang
Tel : 04 – 899 8022
Fax : 04 – 899 1916

PERAK
13A Persiaran Greentown 7
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05 - 241 0668
Fax: 05 – 255 9696

JOHOR
1st Floor, No. 93,
Jalan Molek 1/29
Taman Molek
81100 Johor Bahru, Johor
Tel : 07 – 351 5677 / 5977
Fax : 07 – 351 5377

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

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

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

1st Floor, Lot 1291
Jalan Melayu, MCLD
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