Outthink. Outperform.

AFFIN HWANG CAPITAL
Asset Management

Information Memorandum

Affin Hwang **World Series - US Dollar Liquidity** Fund

MANAGER
Affin Hwang Asset Management Berhad (199701014290)

TRUSTEE
HSBC (Malaysia) Trustee Berhad (193701000084)

This Information Memorandum is dated 18 February 2020.
The Affin Hwang World Series – US Dollar Liquidity Fund is constituted on 18 February 2020.
The constitution date of 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.

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

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 (199701014290)
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

- Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad (Chairman, Non-independent Director)
- Mr Teng Chee Wai (Non-independent Director)
- Ms Eleanor Seet Oon Hui (Non-independent Director)
- Mr Yip Kit Weng (Non-independent Director)
- Encik Faizal Sham bin Abu Mansor (Independent Director)
- Maj. Gen. Dato' Zulkiflee bin Mazlan (R) (Independent Director)

The Manager's Delegate - Fund Valuation Agent
HSBC (Malaysia) Trustee Berhad (193701000084)
Registered Address and Business Address
13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur
Tel No. : (603) 2075 7800
Fax No. : (603) 2179 6511

The Trustee
HSBC (Malaysia) Trustee Berhad (193701000084)
Registered Address and Business Address
13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur
Tel No. : (603) 2075 7800
Fax No. : (603) 2179 6511

Trustee's Delegate
<u>Particulars of the Trustee's Delegate</u>
For foreign asset:
The Hongkong And Shanghai Banking Corporation Limited
6/F, Tower 1,
HSBC Centre,
1 Sham Mong Road, Hong Kong.
Telephone No: (852)2288 6111

For local asset:
The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Registration No: 199301004117 (258854-D))
No 2 Leboh Ampang
50100 Kuala Lumpur
Telephone No: (603)2075 3000 Fax No: (603)2179 6488

The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Bank Malaysia Berhad (Registration No: 198401015221 (127776-V)
No 2 Leboh Ampang
50100 Kuala Lumpur
Telephone No: (603)2075 3000 Fax No: (603)2179 6488

ABBREVIATION

EU	European Union.
FiMM	Federation of Investment Managers Malaysia.
MYR	Malaysia Ringgit.
OTC	Over-the-Counter.
PHS	Product Highlights Sheet.
SC	Securities Commission Malaysia.
UCITS	Undertaking Collective Investment in Transferable Securities.
UK	United Kingdom.
USD	United States Dollar.

GLOSSARY

Act	Means the Capital Markets and Services Act 2007 as 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, Luxembourg and New York are open for trading. The Manager may declare certain Business Day as a non-Business Day when deemed necessary, such as in the event of market disruption.
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 HSBC Global Liquidity Funds plc**.**
Deed	Refers to the deed dated 15 January 2020 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
Dealing Day	Means any day which is not a Securities Industry and Financial Markets Association closing day (excluding Saturday and Sunday).
Depositary	Refers to the BNY Mellon Trust Company (Ireland) Limited
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
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 – US Dollar Liquidity 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.
2010 Law	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.
Manager or AHAM	Means Affin Hwang Asset Management Berhad.
Management Company	Refers to HSBC Investment Funds (Luxembourg) S.A., which has been appointed by the Company as its management company.
Money Market Fund	Means a money market fund which may be either a Short Term Money Market Fund or a Standard Money Market Fund authorised in accordance with the requirements of the Money Market Fund Regulation.
Money Market Fund Regulation	Means Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds amended, supplemented, consolidated, superseded or otherwise modified from time to time.
Moody's	Refers to Moody's Investor Service Inc.
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 of Units, there shall be a Net Asset Value attributable to each class of Units;
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.
Prospectus of the Target Fund	Means the offering document of the Target Fund dated July 2019, as updated and amended from time to time.
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*.
short term	Means a period of less than 3 years.
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 under the Labuan Financial Services and Securities Act 2010 [Act 704]. (20) a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]. (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, “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.
Standard & Poor's	Refers to Standard & Poor's Financial Services LLC.
Target Fund	Refers to HSBC US Dollar Liquidity Fund.
Target Fund Manager	Refers to HSBC Global Asset Management (USA) Inc.
Trustee	Refers to HSBC Malaysia Trustee Berhad.
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.
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.*
UCITS Directive	Means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended.

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.
Variable NAV Money Market Fund	Means a Money Market Fund which complies with the specific requirements laid down in Articles 29, 30 and Article 33(1) of the Money Market Fund Regulation.
Yield	Means in respect of shares of the Target Fund or a class thereof, the percentage amount representing the net income and gains attributable to a share divided by the net asset value per share as at the valuation point for the relevant Dealing Day in respect of such shares.

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

ABOUT AFFIN HWANG WORLD SERIES – US DOLLAR LIQUIDITY FUND

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

DISTRIBUTION POLICY : Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis, after the end of its first financial year.

OFFER PERIOD AND OFFER PRICE

The initial offer price is set at USD 1.00 only.

The initial offer period shall be a period of not more than forty-five (45) calendar days from the Commencement Date. The initial offer period may be shortened if we determine that it is in your best interest.

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.

INVESTORS' PROFILE

The Fund is suitable for you, if you:

- are generally conservative;
- are risk adverse; and
- prefer a short term investment horizon.

INVESTMENT OBJECTIVE

The Fund aims to provide investors with a regular income stream and high level of liquidity to meet cash flow requirement whilst maintaining capital preservation.

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

ASSET ALLOCATION

- A minimum of 80% of the Fund's NAV to be invested in the Target Fund; and
- A maximum of 20% of the Fund's NAV to be invested in money market instruments, 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 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 changes are made.

We may use 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. 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 in mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well. The Fund 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 over-the-counter 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 AHAM's Compliance Unit, and reported to AHAM's compliance and risk management committee, to avoid conflict of interests and manipulation that could have a negative impact on investors.

PERMITTED 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 12.00 p.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 11.00 p.m. or 12.00 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

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

- **Unlisted Collective Investment Schemes**

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

- **Deposits**

  Valuation of deposits placed with Financial Institutions will be done by reference to the principal value of the 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 registered with the SC. For foreign money market instruments, valuation will be done using the indicative yield quoted by independent and reputable institutions.

- **Derivatives**

  The valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg or Reuters. If the rates are not available on the Bloomberg or Reuters, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where the Manager is unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance with a fair value as determined by us in good faith, 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 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

Nil.

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

ANNUAL MANAGEMENT FEE

The management fee is up to 0.40% 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:

$$\frac{\text{USD 120 million} \times 0.40\%}{\text{365 days}} = \text{USD 1,315.07 per day}$$

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 0.03% per annum of the NAV of the Fund (including local custodian fees but excluding foreign custodian fees and charges), and is calculated using the Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly. 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:

$$\frac{\text{USD 120 million} \times 0.03\%}{\text{365 days}} = \text{USD 98.63 per day}$$

ADMINISTRATIVE FEE

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

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (Where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Costs, fees and expenses incurred for the fund valuation of the Fund performed by a fund valuation agent;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the valuation of any investment 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;
- Costs and expenses incurred in relation to the distribution of income (if any);
- Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; 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
Repurchase Charge	1.00% of the NAV per Unit
Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily
Annual Trustee Fee	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)

REBATES AND SOFT COMMISSIONS

We, 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
- HSBC US DOLLAR LIQUIDITY FUND

BASE CURRENCY	:	USD
INCEPTION DATE OF THE TARGET FUND	:	20 November 2000
COUNTRY OF ORIGIN	:	Ireland
REGULATORY AUTHORITY	:	Central Bank of Ireland
DEPOSITARY	:	BNY Mellon Trust Company (Ireland) Limited

HSBC GLOBAL LIQUIDITY FUNDS PLC ("the Company")

The Target Fund is a sub-fund of the Company.

The Company incorporated with limited liability as an open-ended umbrella investment company with variable capital and segregated liability between funds under the laws of Ireland with registered number 306643 and authorised under the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended or superseded.

The Company was incorporated under the laws of the Republic of Ireland on 13 May, 1999 as a variable capital company, with registered number 306643, and is authorised under the UCITS Regulations.

MANAGEMENT COMPANY

HSBC Investment Funds (Luxembourg) S.A. (the "Management Company") serves as the Company's management company and is responsible on a day-to-day basis, under the supervision of the directors of the Company, for providing administration, marketing, investment management and advice services in respect of all funds.

The Management Company was incorporated on 26 September 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg and is registered with the register of commerce and companies under the number B28 888. Its articles of incorporation are deposited with the register of commerce and companies. The Management Company is authorised by the CSSF ("Commission de Surveillance du Secteur Financier", the Luxembourg supervisory authority) as a management company subject to Chapter 15 of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, implementing UCITS IV Directive 2009/65/EC into the Luxembourg law ("the 2010 Law"). The share capital of the Management Company is GBP 1,675,000.00 and will be increased to comply at all times with article 102 of the 2010 Law.

HSBC Investment Funds (Luxembourg) S.A.
16, boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg

INVESTMENT MANAGER

The Management Company has delegated the powers of determining investment policy and investment management of the Company in relation to the HSBC US Dollar Liquidity Fund to HSBC Global Asset Management (USA) Inc. pursuant to the Investment Management Agreement.

Under the Investment Management Agreement between the Management Company and HSBC Global Asset Management (USA) Inc., the Investment Manager has agreed to provide the Target Fund with investment management and advisory services in relation to the assets of the Target Fund and to act with day to day authority, power and responsibility for the investment and reinvestment of such assets. The Investment Management Agreement may be terminated by either party on not less than ninety days' or three months' written notice although in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement also contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reason of the negligence, fraud or wilful misconduct of the Investment Manager in its performance of its duties.

The Investment Manager was incorporated under the laws of New York State, United States on 29 January 1986, and is ultimately a wholly owned subsidiary of HSBC Holdings plc. The Investment Manager is authorised and regulated by the Securities and Exchange Commission and as at 28 February 2017 the Investment Manager had US$72.6 billion of funds under discretionary management.

HSBC Global Asset Management (USA) Inc
452 Fifth Avenue
7th Floor
New York NY 10018
USA

DEPOSITARY

The Company has appointed BNY Mellon Trust Company (Ireland) Limited to act as the depositary to the Company pursuant to the Depositary Agreement.

The Depositary is a private limited liability company incorporated in Ireland on 13 October, 1994. The principal activity of the Depositary is to act as the depositary and trustee of the assets of collective investment schemes. The Depositary is authorised by the Central Bank of Ireland under the Investment Intermediaries Act, 1995.

BNY Mellon Trust Company (Ireland) Limited
One Dockland Central
Guild Street
International Financial Services Centre
Dublin 1
Ireland
D01 E4XO

ABOUT THE TARGET FUND

HSBC US Dollar Liquidity Fund is currently classified as short term Money Market Funds for the purposes of the Money Market Fund Regulation. It is structured as a Low Volatility NAV Money Market Fund.

A Low Volatility NAV Money Market Fund:

- seeks to maintain a stable Net Asset Value per share; and
- values its assets using the amortised cost valuation methodology only where the residual maturity of the asset does not exceed 75 days and the mark-to-market (or mark-to-model) value of the asset does not deviate by more than 0.10% from its amortised cost value.

If the difference in net asset value per share calculated using the mark-to-market and/or mark-to-model valuation methodologies deviates by more than 0.20% from the stable net asset value per share (using the amortised cost method) on a Dealing Day, subsequent subscriptions and redemptions in those shares on that Dealing Day shall be undertaken at the net asset value per share established using mark-to-market and/or mark-to-model methods rather than at a stable net asset value per share.

A) INVESTMENT OBJECTIVE

The investment objective of the Target Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal USD denominated money market interest rates.

B) INVESTMENT POLICY

To achieve its objective, the HSBC US Dollar Liquidity Fund intends to invest in a diversified portfolio of short-term securities, instruments and obligations which are of high quality at the time of purchase and are eligible for investment under the Money Market Fund Regulation and which meet the following criteria:

Maturity	The HSBC US Dollar Liquidity Fund, which is a Low Volatility NAV Money Market Fund, will invest in fixed rate instruments which have a maximum maturity of 397 days. The HSBC US Dollar Liquidity Fund may also invest in floating rate notes and/or variable rate notes which have a maximum maturity of 397 days. The weighted average portfolio maturity of the HSBC US Dollar Liquidity Fund will not exceed 60 days. The weighted average portfolio life of the HSBC US Dollar Liquidity Fund will not exceed 120 days. For the purposes of

	calculating the weighted average portfolio maturity, floating rate notes will be deemed to mature on the next coupon fixing date.
Credit quality	The HSBC US Dollar Liquidity Fund proposes to invest in short-term securities, instruments and obligations which at the time of purchase are of high quality and have a favourable credit assessment under the Management Company's credit rating assessment procedure further details of which are included in section titled "Internal Credit Quality Assessment". Such investments will typically also have a rating of at least A-1 or P-1 (or its equivalent) from a recognised credit rating agency such as Standard & Poor's or Moody's.
Currency	The HSBC US Dollar Liquidity Fund may invest only in securities denominated in USD or that are fully hedged back into USD.
Permitted Investments	The HSBC US Dollar Liquidity Fund may invest in short-term securities, instruments and obligations such as, but not limited to, certificates of deposit (CDs), commercial paper, medium term notes (MTNs), variable rate notes (VRNs), floating rate notes (FRNs), bankers acceptances, government bonds, treasury bills, Eurobonds, asset backed securities and corporate bonds which the Investment Manager considers to be of high credit quality at the time of purchase and which are consistent with the investment objective of the HSBC US Dollar Liquidity Fund and reverse repurchase agreements. The Investments will be listed or traded on a recognised market. The HSBC US Dollar Liquidity Fund may also invest in financial derivative instruments for the purposes of hedging interest rate or currency risk. The HSBC US Dollar Liquidity Fund may enter into repurchase agreements for liquidity management purposes. Further details of which are set out in the section titled "Portfolio Management Techniques".

C) INVESTMENT AND BORROWING POWERS

The Target Fund shall not undertake any of the following activities:

a) investing in assets other than those permitted for investment by a money market fund in accordance with Article 11(1) of the Money Market Fund Regulation;

b) undertaking a short sale of money market instruments, securitisations, asset-backed commercial papers and units or shares of other Money Market Funds;

c) taking direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;

d) entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the Fund; or

e) borrow or lend cash for investment purposes, save that neither (i) repurchase agreements and reverse repurchase agreements; nor (ii) operational overdraft facilities (which, in accordance with the UCITS Regulations, will not exceed 10% of the net asset value of the Target Fund and will only be on a temporary basis) shall constitute borrowing or lending for this purpose.

The Company may not borrow money except insofar as is permitted under the UCITS Regulations and the Money Market Fund Regulation.

The Company, for the account of a Fund, may acquire foreign currency by means of a "back-to-back loan". Foreign currency obtained in this manner is not classified as borrowing for the purposes of the borrowing restrictions referred to above provided that the offsetting deposit (a) is denominated in the base currency of the UCITS and (b) equals or exceeds the value of the foreign currency outstanding. However, where foreign currency borrowings exceed the value of the back to back deposits, any excess is regarded as borrowing for the purposes of the above borrowing restrictions.

D) INVESTMENT RESTRICTIONS

- **Eligible Assets**

  A Money Market Fund shall invest only in one or more of the following categories of financial assets and only under the conditions specified in the Money Market Fund Regulation ("MMFR"):

  1. Money market instruments.
  2. Eligible securitisations and asset-backed commercial paper ("ABCPs").
  3. Deposits with credit institutions.
  4. Financial derivative instruments.
  5. Repurchase agreements that fulfil the conditions set out in Article 14 of the MMFR.
  6. Reverse repurchase agreements that fulfil the conditions set out in Article 15 of the MMFR.
  7. Units or shares of other Money Market Funds.

- **Investment Restrictions**

  A Money Market Fund shall invest no more than:

  1. 5% of its assets in money market instruments, securitisations and ABCPs issued by the same body;
  2. 10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the member state in which the Money Market Fund is domiciled is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the Money Market Fund to make deposits in another member state, in which case up to 15% of its assets may be deposited with the same credit institution.

  By way of derogation from point (1) of the above paragraph, a Variable NAV Money Market Fund may invest up to 10% of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the Variable NAV Money Market Fund in each issuing body in which it invests more than 5% of its assets does not exceed 40 % of the value of its assets.

  The aggregate of all of a Money Market Fund's exposures to securitisations and ABCPs shall not exceed 15% of the assets of the Money Market Fund. As from the date of application of the delegated act referred to in Article 11(4) of the Money Market Fund Regulation, the aggregate of all of a Money Market Fund's exposures to securitisations and ABCPs shall not exceed 20% of the assets of the Money Market Fund, whereby up to 15 % of the assets of the Money Market Fund may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

E) PORTFOLIO MANAGEMENT TECHNIQUES

Financial Derivative Instruments

The financial derivative instruments in which the Target Fund may invest are forward foreign exchange contracts, foreign exchange swaps, total return swaps, exchange rate swap contracts, interest rate swap contracts, futures contracts and call and put options. The purpose of investing in these financial derivative instruments is to seek to hedge against exchange or interest rate risk inherent in other investments of the Target Fund. Where the Target Fund uses interest rate swaps or exchange rate swaps, it will be to alter the interest rate or currency exposure characteristics, respectively, of investments held by the Target Fund in accordance with the investment policy of the Fund. Investments in financial derivative instruments are made subject to the conditions and limits laid down by the Central Bank of Ireland and the Money Market Fund Regulation.

Where financial derivatives are used by the Target Fund, this will be disclosed in the section below. Financial derivatives may only be used when these are in line with the money market investment strategy of the Target Fund. The underlying of the financial derivative instruments shall consist of:

1. interest rates;
2. foreign exchange rates;

3. currencies; or

4. indices representing one of the above categories.

Under the UCITS Regulations and the Money Market Fund Regulation, the Target Fund may invest in the foregoing financial derivative instruments subject to the following terms and conditions:

1. The global exposure of the Target Fund relating to derivative instruments must not exceed the total net asset value of its portfolio of assets;

2. The position exposure to the underlying assets of financial derivative instruments, including embedded financial derivative instruments in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, must not exceed in aggregate the investment limits specified in the Money Market Fund Regulation and the UCITS Regulations;

3. Investments in OTCs may be made provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank of Ireland; and

4. OTC financial derivative instruments are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated and closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Prior to making use of financial derivative instruments, the Management Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the Target Fund's positions and their contribution to the overall risk profile of the portfolio of assets of the Target Fund. It must employ a process for accurate and independent assessment of the value of OTC derivatives. Before investing in any financial derivative instruments on behalf of the Target Fund, a risk management process report must be filed with the Central Bank of Ireland in respect of the Target Fund and in accordance with particular requirements of the Central Bank of Ireland shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any derivative instruments applicable to the Target Fund. The Management Company will ensure that the Target Fund's global exposure to financial derivative instruments does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Money Market Fund Regulation. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate positions. The Target Fund will not therefore be leveraged in excess of 100% of its net asset value.

The Management Company will, on request, provide supplementary information to shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments and for as long as the Company is registered in Hong Kong, Hong Kong shareholders may request such supplementary information from the HSBC Investment Funds (Hong Kong) Limited.

A risk management process report will be submitted to the Central Bank of Ireland in accordance with its requirements prior to the Target Fund engaging in derivative transactions.

- **Futures**

  Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Frequently using futures to achieve a particular strategy instead of using the underlying or related security or index, results in lower transaction costs being incurred.

- **Options**

  There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled.

- **Interest Rate Swaps**

  An interest rate swap is an agreement negotiated between two parties to exchange interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated using a different interest rate, typically with one party paying a fixed interest rate in return for receiving a floating interest rate, either at regular intervals during the life of the swap or at the maturity of the swap.

- **Total Return Swaps**

  A total return swap is an agreement negotiated between two parties to exchange a fixed or variable payment for the return of an underlying asset – both the income it generates and any capital gains.

- **Exchange Rate Swap Contracts**

  An exchange rate swap contract is an agreement negotiated between two parties to exchange the return on cash for the return on varying currencies.

- **Forward Foreign Exchange Contracts**

  A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date.

  Forward foreign exchange contracts may be used for the most part for hedging purposes to seek to reduce foreign exchange risk where the assets of the Target Fund are denominated in currencies other than the base currency of the Target Fund but may also be used to take views on the direction of currency movements.

- **Foreign Exchange Swaps**

  A foreign exchange swap is a contract which simultaneously purchases (the "near leg") and sells (the "far leg") the same amount of the same currency. Usually the "near leg" will be a spot foreign exchange and the "far leg" will effectively be a forward foreign exchange contract.

- **Ancillary Liquid Assets**

  The Company on behalf of the Target Fund may hold or maintain ancillary liquid assets such as master time deposits, demand notes, variable rate demand notes, with a maturity of no longer than six months, or short term funding agreements and use the following techniques and instruments relating to the Target Fund. Any liquid assets acquired by the Target Fund will at the time of acquisition have a favourable credit assessment pursuant to the Management Company's internal credit assessment procedures, as further described under titled "Internal Credit Quality Assessment", which will typically include the liquid asset having a short term credit rating of at least A-1 (or its equivalent) from a recognised credit rating agency such as Standard & Poor's or if not so rated must be considered by the Investment Manager to be of similar credit quality.

Repurchase Agreements and Reverse Repurchase Agreements

The Company, on behalf of the Target Fund, may enter into repurchase agreements or reverse repurchase agreements subject to the requirements of the Money Market Fund Regulation.

Under a repurchase agreement the Target Fund would sell a security to a counterparty (for example, to a bank or securities dealer) for cash and agrees, at the time of sale, to repurchase the security from the counterparty at a mutually agreed upon date and price. The Target Fund may only enter into a repurchase agreement on a temporary basis, for no more than 7 working days and shall only be used for liquidity management purposes and not for investment purposes save that cash received by the Target Fund as part of the repurchase agreement may be placed on deposit with an eligible credit institution or invested in liquid transferable securities or money market instruments of the type referred to in Article 15(6) of the Money Market Fund Regulation.

The counterparty receiving the assets transferred by the Target Fund as collateral under the repurchase agreement shall be prohibited from selling, investing, pledging or otherwise transferring those assets without the prior consent of the Target Fund. The cash received by the Target Fund as part of a repurchase agreement shall not exceed 10% of its assets. The Target Fund must have a right to terminate the agreement at any time upon giving prior notice of no more than 2 working days.

Under a reverse repurchase agreement the Target Fund would acquire a security from a seller (for example, a bank or securities dealer) and agree, at the time of purchase, that the seller will repurchase the security from the Target Fund at a mutually agreed upon date and price. The resale price reflects the purchase price, plus an agreed upon market rate of interest, which is unrelated to the coupon rate or maturity of the purchased security.

The Depositary or sub-custodian will maintain custody of the purchased securities for the duration of the agreement, unless the Company uses tri-party collateral management services of International Central Securities Depositaries or relevant institutions which are generally recognised as specialists in this type of transaction, in which case the Depositary will be a named participant to the collateral arrangements. The value of the purchased securities, including accrued interest, will at all times equal or exceed the value of the reverse repurchase agreement. In the event of bankruptcy of the seller or failure of the seller to repurchase the securities as agreed, the Target Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay in enforcement of the agreement. In evaluating whether to enter into a reverse repurchase agreement, the Investment Manager will carefully consider the creditworthiness of the seller.

Transactions may only be effected in accordance with normal market practice. The Target Fund must at all times be in a position to meet the obligations imposed as a result of entering into the above. Securities which are the subject of such a contract cannot be sold, reinvested, pledged or otherwise transferred before the term has expired.

The Company, on behalf of the Target Fund, may utilise, either deliverable or tri-party, reverse repurchase agreements which are collateralised (subject to the conditions under the Money Market Fund Regulation). The underlying collateral may be denominated in either the base currency of the Target Fund or currencies that are in compliance with the guidelines of Moody's or Standard's & Poor's and with the Money Market Fund Regulation. The collateral obtained under a reverse repurchase agreement must be in the form required by the Money Market Fund Regulation.

The Company, on behalf of a Fund, may enter into repurchase agreements or reverse repurchase agreements with counterparties which are credit institutions, investment firms and which satisfy approved counterparty requirements of the Investment Manager. Such entities will typically have at least a short term A-2 rating (or its equivalent) from a recognised credit rating agency such as Standard & Poor's or be deemed by the Management Company to have an implied rating of at least, short term A-2 rating (or its equivalent) from a recognised credit rating agency such as Standard & Poor's as evaluated by the Investment Manager. Alternatively, an unrated counterparty will be acceptable where the Company is indemnified against losses suffered as a result of failure by the counterparty by an entity which has and maintains a rating of at least short term A-2 rating (or its equivalent) from a recognised credit rating agency such as Standard & Poor's.

The proportion of assets under management in regard to securities in its portfolio subject reverse repurchase agreements may typically vary between 0% and 100%. The cash received by the Target Fund as part of a repurchase agreement shall not exceed 10% of its assets. However, it is anticipated that it is most likely to be within the range of:

	Typical range of Reverse Repurchase Agreements	Typical range of Repurchase Agreements
HSBC US Dollar Liquidity Fund	0% to 25%	0% to 10%

Such variations may be dependent on, but are not limited to, factors such as total fund size and seasonal trends in the underlying market. All income generated from repurchase agreements or reverse repurchase agreements will accrue to the Target Fund.

When-Issued Securities and Forward Commitments

The Company, on behalf of the Target Fund, may purchase securities on a when-issued or forward commitment basis. When-issued transactions arise when securities are purchased on behalf of the Target Fund with payment and delivery taking place in the future in order to secure what is considered to be an advantageous price and yield to the Target Fund at the time of entering into the transaction. In a forward commitment transaction, the Company on behalf of the Target Fund contracts to purchase or sell securities for a fixed price at a future date beyond customary settlement time. Alternatively, the Investment Manager, on behalf of the Company and the Target Fund may enter into offsetting contracts for the forward sale of other securities.

Securities purchased or sold on a when-issued or forward commitment basis involve a risk of loss if the value of the security to be purchased declined prior to the date of settlement or if the value of the security to be sold increases prior to the date of settlement. Although the Company, on behalf of the Target Fund, will generally purchase securities on a when-issued or forward commitment basis with the intention of acquiring securities for its portfolio, the Company, on behalf of the Target Fund may dispose of a when-issued security or forward commitment prior to settlement if the Investment Manager deems it appropriate to do so.

Hedging Transactions

Investments in securities denominated in currencies other than the base currency of the Target Fund offer potential benefits of diversification not available from investments solely in securities denominated in the base currency of the Target Fund. The Company on behalf of the Target Fund expects to employ simultaneous currency spot and forward transactions associated with the purchase of specific underlying assets in a currency other than the base currency of the Target Fund in order to invest in currency-hedged short term securities. The purchase and sale of forward contracts on currencies constitute contractual obligations to purchase and sell a specific currency for a fixed price at a stated time in the future. The Company will also enter into spot currency contracts, which are similar to forward contract, but generally provide for settlement within two days of the effective date of the contract. Forward and spot contracts are generally not entered into on regulated exchanges but are entered into over-the-counter ("OTC") directly between two counterparties acting as principals, rather than through an exchange clearing house as is generally the case with futures contracts, discussed below. Participants in the forward and spot market typically establish internal requirements regarding the creditworthiness of their counterparties and may not be willing to enter into transactions with those counterparties which do not satisfy such standards. Such participants may also impose limits on the maximum sizes of the positions they will maintain with particular counterparties and may require certain counterparties to provide margin, letters of credit or other credit enhancements before agreeing to enter into transactions with such counterparties. In order to effect transactions in currencies through the forward and spot markets, the Target Fund is required to establish business relationships with counterparties, based on its net assets and other factors related to its creditworthiness, and could be required to deposit margin with such counterparties. The Company will not be able to enter into transactions on the basis of credit facilities established on behalf of HSBC Holding Plc or any of its affiliates.

The Company may (but is not obliged to) enter into certain currency and/or interest rate related transactions in order to hedge the currency and/or interest rate exposure of the assets of the Target Fund attributable to a particular class of shares. Forward and spot contracts are generally entered into on the basis of telephone negotiations between the parties, with the details of the transaction subsequently confirmed by facsimile. All principal terms of the transaction, including quantity, exchange rate, maturity and credit terms, are individually negotiated between the parties, although some standard terms and conditions might be used by market participants. Dealers in the OTC currency markets generally do not impose commissions on transactions entered into with counterparties, although the prices quoted by such dealers generally reflect a spread which represents the dealer's profit on the transaction. Currency transactions will be conducted through financial institutions specialising in these types of transactions, and whose unsecured senior debt or claims-paying ability is rated A or better by Standard & Poor's and Moody's. OTC transactions entered into by the Company, will be subject to the Money Market Fund Regulation and the UCITS Regulations. Investors should also refer to the section titled "Risks of the Target Fund".

F) COLLATERAL POLICY

- **Non Cash Collateral**

  Non-cash collateral for the Target Fund must, at all times, meet with the following requirements as applicable:

  1. **Liquidity**: Non-cash collateral should be highly liquid such that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should comply with the provisions of Article 10 or Article 17(7) of the Money Market Fund in the case of collateral received under a reverse repurchase agreement;
  2. **Valuation**: Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative

haircuts are in place. The market value of the assets received under a reverse repurchase agreement shall at all times at least equal the value of the cash paid out.

3. **Issuer credit quality**: Collateral received should be of high quality;

4. **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;

5. **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 15% of the net asset value of the Target Fund. By way of derogation from this requirement, the Target Fund may be fully collateralised in different liquid transferable securities and money market instruments issued or guaranteed by a member state, one or more of its local authorities, a third country, or a public international body to which one or more member states belong, provided that the Target Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of the net asset value of the Target Fund in accordance with the requirements of Article 17(7) of the Money Market Fund Regulation.

6. **Immediately available:** The Target Fund has the right to terminate the agreement at any time on giving prior notice of no more than two working days. Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and

7. Non-cash collateral received cannot be sold, pledged or reinvested by the Target Fund.

8. Securitisations and asset-backed commercial papers shall not be received by the Target Fund as part of a reverse repurchase agreement.

- **Cash Collateral**

Reinvestment of cash collateral must be in accordance with the following requirements:

1. cash received as collateral may only be invested in the following:

   i. deposits with a credit institution authorised in the European Economic Area (EEA) (EU member states, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state, other than an EU member state or a member state of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution in a third country deemed equivalent pursuant to Article 107(4) of Regulation (EU) 575/2013 (the Capital Requirements Regulation); or

   ii. liquid transferable securities or money market instruments issued or guaranteed by the European Union, a central authority or central bank of a member state or third country, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility subject to a having received favourable credit assessment by the Investment Manager, but shall not otherwise be invested in eligible assets as referred to in Article 9 of the Money Market Fund Regulation, transferred or otherwise reused;

2. the cash received as collateral by the Target Fund as part of a repurchase agreement shall not exceed 10% of its assets;

3. invested cash collateral must be diversified in accordance with the requirements in Article 17 of the Money Market Fund Regulation;

4. invested cash collateral may not be placed on deposit with the counterparty or a related entity.

Level of Collateral Required

Unless otherwise specified in this section (About the Target Fund – HSBC US Dollar Liquidity Fund), the levels of collateral required are as follows:

Reverse repurchase agreements	at least 100% of the exposure to the counterparty
Repurchase agreements	at least 100% of the exposure to the counterparty
OTC derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in Article 17 of the Money Market Fund Regulation for aggregate counterparty risk exposure

Haircut Policy

In advance of the Target Fund entering into OTC derivative transactions or reverse repurchase agreements, the Investment Manager will determine what, if any, haircut may be required and acceptable for each class of asset to be received as collateral, which will be set out in the agreement with the relevant counterparty or otherwise documented at the time of entering into such agreement. Such haircut will take into account the characteristics of the asset such as the credit standing or price volatility of the assets received as collateral and, where applicable, the outcome of any stress test performed in accordance with the requirements of the Money Market Fund Regulation.

G) INTERNAL CREDIT QUALITY ASSESSMENT

The Management Company, on the advice of the Investment Manager, has established an internal credit quality assessment procedure for determining the credit quality of money market instruments, securitisations and asset-backed commercial papers in which a Fund invests (the Credit Quality Assessment Procedure"). The Investment Manager applies the Credit Quality Assessment Procedure on behalf of the Management Company. The current procedure involves the following elements:

- Portfolio managers are only permitted to invest in issuers which are on an approved list (the "Approved Issuer List").
- For a new issuer to be added to the list the Credit Research Function, which is functionally independent from the portfolio managers, completes a Credit Quality Assessment ("CQA") on the issuer. The Credit Research Function makes a recommendation to approve or reject the issuer to the Liquidity Credit Approval Committee ("LCAC"). The recommendation also includes the proposed internal credit rating and 'size category'.
- The Credit Research Function operates under principles established in the Credit Assessment Policy which is set and governed by the Liquidity Credit Approval Committee ("LCAC").
- If the issuer is approved by the LCAC it will be added to the Approved Issuer List and will be available investment within the guidelines established for each Fund by the Liquidity Credit and Investment Committee ("LCIC"). The LCIC sets the parameters by which investments will be considered eligible for each Fund. For example, minimum credit quality, maximum tenor and maximum exposure.
- Each issuer on the Approved Issuer List will be subject to an annual review by the Credit Research Function. Furthermore, the Credit Research Function performs on-going issuer monitoring through publicly available data sources such as financial statements, news announcements and external credit ratings. Any deterioration in the credit profile of an approved issuer which is deemed significant enough to lead to a downgrade of the internal credit rating can be initiated by the respective credit analyst. If the issuer's internal credit rating is downgraded below the minimum internal credit rating the issuer will be removed from the Approved Issuer List. Conversely, any improvement in the credit profile of an approved issuer which is deemed significant enough to lead to an upgrade of the internal credit rating must be escalated via the respective credit research analyst to the LCAC to determine whether the recommendation to upgrade the internal credit rating is approved.

H) LIQUIDITY MANAGEMENT PROCEDURES

The Management Company applies the following liquidity management procedures for the Target Fund in order to ensure that there is sufficient liquidity available in the Target Fund to meet the weekly liquidity thresholds applicable in accordance with the Money Market Fund Regulation. If the weekly liquidity thresholds are exceeded on a Dealing Day, the Investment Manager shall immediately inform the directors of the Company and Management Company. A documented assessment shall be completed of the situation to determine the appropriate course of action having regard to the interests of shareholders of the Target Fund together with the supporting rationale for that course of action. The directors of the Company shall, in conjunction with the Management Company, consider the appropriate course of action having regard to the available measures, which are summarised below.

Trigger	Action
Weekly maturing assets of the Target Fund falls below 30% of the total assets of the Target Fund and the net daily redemptions on a single Dealing Day exceed 10 % of the total assets of the Target Fund.	The directors of the Company may decide to take one or more of the following actions: a) apply a charge up to the level of the redemption fee on any redemption requests so that the cost incurred by the Target Fund to achieve liquidity to settle that redemption request and to ensure that the shareholders remaining in the Target Fund are not unfairly disadvantaged when other shareholders redeem shares during the period that the weekly liquidity is exceeded; or b) limit the amount of shares to be redeemed on any one Dealing Day to not more than 10% of the shares in the Fund and this limit may be maintained for any period up to 15 Dealing Days; or c) suspend redemptions for any period up to 15 Dealing Days. The directors of the Company may also, if considered appropriate, take no immediate action other than fulfilling the obligations laid down in Money Market Fund Regulation.
Weekly maturing assets of the Target Fund falls below 10% of the total assets of the Target Fund.	The directors of the Company shall take either of the following actions: a) apply a charge up to the level of the redemption fee on any redemption requests so that the cost incurred by the Target Fund to achieve liquidity to settle that redemption request and to ensure that the shareholders remaining in the Target Fund are not unfairly disadvantaged when other shareholders redeem shares during the period that the weekly liquidity is exceeded; or b) suspend redemptions for any period up to 15 Dealing Days.

FEES AND CHARGES OF THE TARGET FUND

Initial Charge	Not applicable
Redemption Fee	Not applicable
Management Fee	Up to 0.15% 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.***

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

	SPECIFIC RISKS OF THE FUND
	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 "*Suspension of Dealing in Units*" of this Information Memorandum for more details. This is the risk that the shares of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of shares of the Target Fund. The Target Fund Manager may suspend the realisation of shares, 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.
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.

	RISKS OF THE TARGET FUND
Contagion Risk	The ability of the Target Fund to maintain principal value can be adversely affected by other money market funds. If any money market fund fails to maintain principal, or there is a perceived threat of such a failure, other money market funds, including the Target Fund, could be subject to increased redemption activity which could adversely affect the Target Fund's principal value.
Credit Risk	An issuer that the Target Fund is exposed to may default and not make payments on all securities potentially leading to the Target Fund incurring a loss of principal. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell, which could adversely affect a Fund's principal value.
Changes in Interest Rates	The value of shares may, notwithstanding the policy of the Company of investing in

	RISKS OF THE TARGET FUND
	short-term instruments, be affected by substantial adverse movements in interest rates. This may result in the amount realised on the sale of shares being less than the original amount invested.
Derivative Risk	Derivatives (such as swaps) are highly specialised instruments that require investment techniques and risk analyses different from those associated with equities and debt securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative transaction adds to a portfolio. In an environment of interest rate volatility, derivative instruments, such as interest rate swaps, may be used in order to hedge the Target Fund against large variations of the market value. These instruments will be used for hedging interest rate risks purpose only. There can be no guarantee or assurance that the use of derivatives will meet or assist in meeting the investment objectives of the Target Fund. Where the Target Fund enters into derivative techniques, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Target Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Investment Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Target Fund's investment objective. The Target Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps and options for hedging purposes. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.
Conflicts of Interest	The Management Company, the Investment Manager, the Depositary, the BNY Mellon Fund Services (Ireland) Designated Activity Company ("Administrator") and any associate or delegate of the Management Company, the Investment Manager, the Depositary or the Administrator (each a "Connected Party") may: - a) become the owner of shares in the Company and hold, dispose or otherwise deal with shares as if that person were not such a person subject to the restriction on voting rights which are set out in the section titled "Voting Rights" of the Prospectus of the Target Fund and in the Articles of Association of the Company; or

	RISKS OF THE TARGET FUND
	b) deal in property of any description on that person's individual account notwithstanding the fact that property of that description is included in the property of the Company; or c) act as principal or agent in the sale or purchase of property to or from the Depositary for the account of the Company; without that person having to account to any other such person, to the shareholders or to any of them for any profits or benefits made by or derived from or in connection with any such transaction, provided that such transactions are in the best interests of the shareholders and are conducted at arm's length and: 1. a certified valuation of such transaction by a person approved by the Depositary (or the directors of the Company in the case of any transaction involving the Depositary) as independent and competent has been obtained, or 2. such transaction has been executed on best terms on an organised investment exchange under their rules, or 3. where 1 and 2 are not practical, such transaction has been executed on terms which the Depositary (or the directors of the Company in the case of any transaction involving the Depositary) is satisfied conform with the principle that such transactions be conducted at arm's length. The Investment Manager may purchase shares of any class at not less than the repurchase price for shares of the class in question at the time when such purchase is made. All such transactions will be carried out on normal commercial terms negotiated at arm's length. Any shares thus acquired by the Investment Manager and for the time being outstanding may be sold by the Investment Manager in satisfaction of the whole or any part of any application for shares of the class in question at a price which shall not exceed the offer price. Any profits may be retained by the Investment Manager for his absolute benefit. A Connected Party may, in the course of its business, have potential conflicts of interest with the Company. Each Connected Party will, however, have regard in such event to its obligations under its agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will use best efforts to resolve such conflicts fairly. As the fees of the Investment Manager are usually based on the net asset value of the Target Fund, if the net asset value of the Target Fund increases so do the fees payable and accordingly there is a potential conflict of interest for the Investment Manager in cases where the Investment Manager or a Connected Person is responsible for or involved in the determination of the valuation price of any of the Target Fund's investments.
Legal Risk	Legal risk is the risk of loss due to unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly in the context of financial derivative instruments.
Reverse Repurchase Agreements	In the event of a bankruptcy or other default of a seller of a reverse repurchase agreement, the Company could experience both delays in liquidating the underlying securities and losses, including a possible decline in the value of the underlying securities during the period when the Company seeks to enforce its rights thereto, reduced levels of income and lack of access to income during this period and the expenses of enforcing its rights.
Counterparty and Settlement Risk	Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of creditworthiness of one of the parties to the transaction. Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations thereunder. Funds which are party to these risks can incur considerable losses.

	RISKS OF THE TARGET FUND
Market and Liquidity Risk	Trading counterparties may from time to time refrain from making a market in a particular financial contract or instrument, with the result that those persons already holding such a contract or instrument are unable to liquidate their exposure. Such characteristics can lead to considerable losses being incurred by those exposed to such instruments.
Correlation Risk	The Target Fund may utilise forward contracts and currency options to seek to hedge against fluctuations in the relative values of the Target Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Target Fund to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Target Fund is not able to enter into a hedging transaction at a price sufficient to protect the Target Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.
Currency Transactions	The Target Fund may engage in currency transactions in order to hedge instruments not denominated in its base currency. In this regard, spot transactions and forward contracts are subject to the risk that counterparties will default on their obligations. Since a forward contract is not guaranteed by an exchange or clearinghouse, a default on the contract would deprive the Target Fund of the hedging benefits of the contract and force the Target Fund to cover its purchase or sale commitments, if any, at the current market price. The Company, on behalf of the Target Fund will not enter into such transactions unless the credit quality of the unsecured senior debt or the claims-paying ability of the spot or forward contract counterparty thereto is rated A or better by both Standard & Poor's and Moody's.
Currency of Reference	Depending on the investor's currency of reference, currency fluctuations may adversely affect the value of an investment. Changes to net asset value distributing share classes of the Target Fund seeks to stabilize the net asset value per share. Investors in such share classes should note that although the directors of the Company will seek to stabilise the net asset value per share of distributing share classes, there can be no assurance that the Company will be able to attain this objective. The price of shares as well as the income therefrom may go down as well as up to reflect changes in the net asset value per share of the Target Fund.
Negative Yield	Market conditions, including but not limited to a reduction in interest rates may have a material impact on the Yield payable on a class of shares in the Target Fund. Either the Yield will be so low that following the deduction of the charges and expenses applicable to the shares, it will be a negative number (Negative Net Yield) or the yield will already be a negative number before the charges and expenses have been deducted (Negative Gross Yield). Such market conditions, together with any actions taken by financial institutions in response thereto (such as, for example, by way of reducing interest rates and therefore income payable on investments of the Target Fund), are outside the control of the directors of the Company. A Negative Net Yield and/or Negative Gross Yield environment creates potential issues for the Target Fund which seeks to maintain the distributing classes of shares in the Target Fund at a constant net asset value per share in that the Yield of the Target Fund may be unable to pay a distribution or cover charges or expenses or other liabilities of the Target Fund, such as the fees of the Management Company, the Investment Management fee or other operating costs. Investors should also note that although the directors of the Company will seek to stabilise the Net Asset Value per Share in a distributing class of Shares, there can be no assurance that the Company will be able to attain this objective.

	RISKS OF THE TARGET FUND
Changes to Settlement	Although the directors of the Company will seek to stabilise the net asset value per share of Public Debt Constant NAV Money Market Funds and Low Volatility NAV Money Market Funds, there can be no assurance that the Company will be able to attain this objective. The price of shares as well as the income therefrom may go down as well as up to reflect changes in the net asset value per share of the Target Fund and may delay normal processing cycles.
Suspension of Valuation	The ability to subscribe for, or redeem shares may be affected by a temporary suspension of the determination of the net asset value of the Target Fund which may take place upon the occurrence of certain events.
Segregated Liability between the Funds	Liabilities of the Target Fund will not impact on nor be paid out of the assets of another fund. While the provisions of the Companies Act 2014 provide for segregated liability between funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly it is not free from doubt that the assets of the Target Fund may be exposed to the liabilities of other funds of the Company. As of the date of the Prospectus of the Target Fund, the directors of the Company are not aware of any existing or contingent liability relating specifically to one fund of the Company which might lead to contagion liability for another fund of the Company.
Political and/or Regulatory Risks	The value of the assets of the Target Fund may be adversely affected by uncertainties such as international political and economic developments and change in market conditions, government policies and in legal, regulatory and tax requirement.
Foreign Account Tax Compliance Act (FATCA)	Sections 1471 through 1474 of the US Internal Revenue Code (FATCA) impose a 30% withholding tax on certain payments to a foreign financial institution (FFI) if that FFI is not compliant with FATCA. The Company is a FFI and thus, subject to FATCA. This withholding tax applies to payments to the Company that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and beginning on 1 January 2019, this withholding tax is extended to the proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments. Ireland has entered into an Intergovernmental Agreement (IGA) with the US to facilitate FATCA compliance and reporting. Under the terms of the IGA, the Company is required to report to the Irish tax authorities certain information about US investors (including indirect investments held through certain passive investment entities) as well as non-US financial institutions that do not comply with FATCA. Such information will be onward reported by the Irish tax authorities to the US Internal Revenue Service. The Company intends to comply with the terms of the IGA and relevant implementing legislation in Ireland. Therefore the Company expects to be treated as a compliant financial institution and does not expect any FATCA withholding to apply on payments made to it. If a shareholder or an intermediary fails to provide the Company, its agents or authorised representatives with any correct, complete and accurate information that may be required for the Company to comply with FATCA, the shareholder may be subject to withholding on amounts payable to them, or may be compelled to sell their interest in the Company or, in certain situations, the shareholder's interest in the Company may be sold involuntarily (in doing so the Company will observe relevant legal requirements and will act in good faith and on reasonable grounds). The Company may at its discretion enter into any supplemental agreement without the consent of shareholders to provide for any measures that the Company deems appropriate or necessary to comply with FATCA. Shareholders in the Company should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, shareholders who hold their shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer FATCA withholding

	RISKS OF THE TARGET FUND
	tax on their investment returns. Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by shareholders may suffer material losses.
No Investment Guarantee Equivalent to Deposit Protection	Investment in the Target Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.
Asset-Backed and Receivables-Backed Securities	Asset-backed securities such as asset-backed commercial papers are created by the grouping of certain governmental, government-related and private loans, receivables and other lender assets into pools. Interests in these pools are sold as individual securities. Payments from the asset pools may be divided into several different tranches of debt securities, with some tranches entitled to receive regular instalments of principal and interest, other tranches entitled to receive regular instalments of interest, with principal payable at maturity or upon specified call dates, and other tranches only entitled to receive payments of principal and accrued interest at maturity or upon specified call dates. Different tranches of securities will bear different interest rates which may be fixed or floating. Because the loans held in the asset pool often may be prepaid without penalty or premium, asset-backed securities are generally subject to higher prepayment risks than most other types of debt instruments. Prepayment risks on mortgage securities tend to increase during periods of declining mortgage interest rates because many borrowers re-finance their mortgages to take advantage of the more favourable rates. Depending upon market conditions, the yield that the Target Fund receives from the re-investment of such prepayments, or any scheduled principal payments may be lower than the yield on the original mortgage security. As a consequence, mortgage securities may be a less effective means of "locking in" interest rates than other types of debt securities having the same stated maturity and may also have less potential for capital appreciation. For certain types of asset pools, such as collateralised mortgage obligations, prepayments may be allocated to one tranche of securities ahead of other tranches, in order to reduce the risk of prepayment for the other tranches. The credit characteristics of asset-backed securities also differ in a number of respects from those of traditional debt securities. The credit quality of most asset-backed securities depends primarily upon the credit quality of the assets underlying such securities, how well the entity issuing the securities is insulated from the credit risk of the originator or any other affiliated entities, and the amount and quality of any credit enhancement to such securities.
Legal Requirements	Persons interested in purchasing shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, switching and redemption of shares.
Withdrawal of the UK from the EU	On 29 March 2017, the Government of the UK formally notified the EU of its intention to leave the Union (''Brexit''). The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of the Target Funds and its investments resulting in greater costs if the Target Fund decides to employ currency hedging policies. Ongoing uncertainty could adversely impact the general economic outlook and as such this may impact negatively on the ability of the Target Fund and its investments to execute its strategies effectively and may also result in increased costs. It is possible there will be more divergence between UK and EU regulations post-Brexit, limiting the cross-border activities that can take place. However, it is unlikely

	RISKS OF THE TARGET FUND
	to affect the funds' ability to receive portfolio management. At the date of the Prospectus of the Target Fund, the funds continue to be recognised by the FCA and can be marketed to UK investors. The nature and extent of the impact of any Brexit related changes are uncertain, but may be significant. The information provided in this section was correct as of 19 March 2019.

DEALING INFORMATION

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

WHO IS ELIGIBLE TO INVEST?

- You must be a Sophisticated Investor who is at least eighteen (18) years old in order to invest in this Fund. Please refer to the "Glossary" chapter of this Information Memorandum for the details.
- 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.

WHAT ARE THE MINIMUM INITIAL INVESTMENT, MINIMUM ADDITIONAL INVESTMENT, MINIMUM REPURCHASE AMOUNT AND MINIMUM HOLDING OF UNITS?

Minimum Initial Investment	USD 5,000
Minimum Additional Investment	USD 1,000
Minimum Repurchase Amount	1,000 Units
Minimum Holding of Units	1,000 Units

- At our discretion, we may reduce the minimum initial investment amount, minimum additional investment amount, minimum repurchase amount and minimum holdings of units

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

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- 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. You may obtain our bank account details from our online download center at www.affinhwangam.com.

- 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 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.

HOW TO REPURCHASE UNITS?

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

  We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders.

- You may submit the repurchase request by completing a transaction form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business 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 for that Business Day. Any repurchase request received after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day").
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within 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. 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 is equivalent to the initial offer price and thereafter, the NAV per Unit. Forward Pricing will be used to determine the Selling Price and the Repurchase Price after the initial offer period, i.e. the NAV per Unit 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 ARE THE SWITCHING OPTIONS?

You are able to switch 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:

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

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. The transfer must be made in terms of Units and not in terms of USD 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?

- 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 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 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.

SUSPENSION OF DEALING IN UNITS

- The Trustee may suspend the dealing in 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.

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 16 years' experience in the fund management industry. Additionally, AHAM is also 27% 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:-

Ms Esther Teo Keet Ying – Head, Fixed Income Investment

Ms Esther Teo is the Head of Fixed Income Investment. Prior to joining the Manager, she was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for three (3) years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery. Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. She has also obtained her licence from the SC on 29 April 2004 to act as a fund manager.

ABOUT THE TRUSTEE - HSBC (MALAYSIA) TRUSTEE BERHAD

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through HSBC Nominees (Tempatan) Sdn Bhd and/or HSBC Bank Malaysia Berhad. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

Duties and Responsibilities of the Trustee

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

In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Funds and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager. The Trustee is not liable for the acts, omissions or failure of any third party depository including central securities depositories or clearing and/or settlement systems in any circumstances. Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

Anti-money laundering provisions

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, willful default or fraud of the Trustee.

Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the Capital Markets and Services Act 2007, Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

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 such other rights and privileges as are provided for in the Deed;

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

(c) To receive quarterly and annual reports.

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

You are not liable to the following:-

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

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

Provisions Regarding Unit Holders' Meetings

Quorum Required for Convening a Unit Holders' Meeting

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

Unit Holders' Meeting convened by the Manager

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

Unit Holders' Meeting convened by the Trustee

The Trustee may 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 5.9.1 of the Deed; and

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

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.

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

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

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

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

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

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

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

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

INCORRECT PRICING

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

The Trustee will not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit 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.

TAX ADVISER'S LETTER

15 January 2020

The Board of Directors
Affin Hwang Asset Management Berhad
Ground Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur

Dear Sirs

Affin Hwang World Series – US Dollar Liquidity Fund
Taxation of the Fund and Unit Holders

1. This letter has been prepared for inclusion in the Information Memorandum (hereinafter referred to as "the Information Memorandum") in connection with the offer of units in the Affin Hwang World Series – US Dollar Liquidity Fund (hereinafter referred to as "the Fund").

   The following is general information based on Malaysian tax law in force at the time of lodging the Information Memorandum with the Securities Commission Malaysia ("SC") and investors should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon an investor's individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that an investor consult his accountant or tax adviser on questions about his individual tax position.

2. Taxation of the Fund

2.1 Income Tax

As the Fund's Trustee is resident in Malaysia, the Fund is regarded as resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 ("MITA").

Pursuant to the Section 2(7) of MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive dividends, profits and other income from investments outside Malaysia. Income derived from sources outside Malaysia and received in Malaysia by a unit trust is exempted from Malaysian income tax. However, such income may be subject to foreign tax in the country from which the income is derived.

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into. Generally, any gain or loss relating to the principal portion will be treated as capital gain or loss. Gains or losses relating to the income portion would normally be treated as revenue gains or losses. The gain or loss on revaluation will only be taxed or claimed upon realisation. Any gain or loss on foreign exchange is treated as capital gain or loss if it arises from the revaluation of the principal portion of the investment.

Generally, income from distribution by the Malaysia Real Estate Investment Trusts ("REIT") will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.

Expenses being manager's remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

2.2 Gains on Disposal of Investments

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax ("RPGT") under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

2.3 Goods and Services Tax ("GST") and Service Tax

The Goods and Services Tax Act 2014 was repealed effective from 1 September 2018 and replaced by the Sales Tax and Service Tax which was reintroduced from 1 September 2018.

Should the Fund provide any taxable services within the scope of the Service Tax Regulations 2018 (e.g. management and consulting services) with an aggregate value of RM500,000 or more in a 12 months period, the Fund would be required to register for Service Tax and charge Service Tax on the said services at the prevailing rate of 6%. If the Fund does not make any taxable services it would not be required to register for Service Tax.

The issuance of units by the Fund to investors will not be subject to Service Tax, and no Service Tax would be included in the price of the units. Any distributions made by the Fund to unitholders are also not subject to Service Tax.

The provision of management services are within the scope of the Service Tax and is a prescribed taxable service under the Service Tax Regulations 2018. However, the provision of management services by a person licensed or registered with the Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007 are specifically excluded from the scope of management services. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services for a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an adhoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department

3. Taxation of Unit Holders

3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net taxable income distribution plus attributable underlying tax paid by the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia :-

Unit Holders	Malaysian Tax Rates for Year of Assessment 2019	Malaysian Tax Rates for Year of Assessment 2020
Malaysian tax residents:		
▪ Individual and non-corporate Unit Holders	▪ Progressive tax rates ranging from 0% to 28%	▪ Progressive tax rates ranging from 0% to 30%
▪ Co-operative societies	▪ Progressive tax rates ranging from 0% to 24%	▪ Progressive tax rates ranging from 0% to 24%
Malaysian tax residents:		
▪ Trust bodies	▪ 24%	▪ 24%

Unit Holders	Malaysian Tax Rates for Year of Assessment 2019	Malaysian Tax Rates for Year of Assessment 2020
▪ Corporate Unit Holders		
i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis	▪ 17% for every first RM500,000 of chargeable income ▪ 24% for chargeable income in excess of RM500,000	▪ 17% for every first RM600,000 of chargeable income ▪ 24% for chargeable income in excess of RM600,000

period of a year assessment ii. Companies other than those in (i) above Non-Malaysian tax residents: ▪ Individual and non-corporate Unit Holders ▪ Co-operative societies	 ▪ 24% ▪ 28% ▪ 24%	 ▪ 24% ▪ 30% ▪ 24%

The tax credit that is attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

3.2 Tax Exempt Distribution

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund's distribution equalisation account.

3.3 Distribution Voucher

To help complete a Unit Holder's tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

3.4 Sale, Transfer or Redemption of Units

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable.

3.5 Reinvestment of Distribution

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

3.6 Unit Splits

Unit splits issued by the Fund are not taxable in the hands of the Unit Holders.

Tax Exempt Income of Unit Trusts

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax: -

   - Securities or bonds issued or guaranteed by the Government; or

   - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or

   - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 ("FSA") or the Islamic Financial Services Act 2013 ("IFSA") or any development financial institution regulated under the Development Financial Institutions Act 2002 ("DFIA").

   Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

3. Interest in respect of any savings certificates issued by the Government.

4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.

5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.

6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad ("MESDAQ") (now known as Bursa Malaysia Securities Berhad ACE Market).

7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.

8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.

9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.

10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah, Musyarakah, Ijarah, Istisna'* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.

11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.

12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, "Sukuk Kijang" means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.
13. Gains or profits derived, in lieu of interest, derived from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (USD1,500,000,000.00) in accordance with the principle of *Wakala Bil Istithmar*, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.

14. Gains or profits derived, in lieu of interest from the Sukuk Wakala with the nominal value up to one billion and five hundred million United States Dollar (US$1,500,000,000.00) in accordance with the principle of *Wakala*, other than a convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).

15. Income received by the Fund from Malaysia Building Society Berhad ("MBSB").

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.

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