

Fullgoal International Funds SICAV
(a Luxembourg *société d'investissement à capital variable*)

PROSPECTUS

31 MARCH 2024

Fullgoal International Funds SICAV is an umbrella fund composed of Sub-funds. Subscription to the Company's shares can only be validly made on the basis of the information contained in the current Prospectus and the relevant Key Information Document accompanied by a copy of the latest annual report as well as the latest semi-annual report if this is published after the last annual report. No person is authorised to give to third parties any information other than that contained in this Prospectus or the documents mentioned herein.

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information and representation contained in this Prospectus and, the documents referred to herein and the relevant KID.

No person is authorised to give third parties any information other than that contained in this Prospectus, the documents referred to herein and the relevant KID which can be consulted by the general public. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. It cannot be used for the purpose of offering and promoting sales in any country or any circumstances where such offers or promotions are not authorised. Investors wishing to apply for Shares are advised to inform themselves and seek professional advice so that they are fully informed of the possible legal, administrative or tax consequences and the possible effects of foreign exchange restrictions, controls or operations which might be required in connection with the subscription, purchase, holding, redemption, conversion and sale of shares under the laws in force in their countries of residence, domicile or establishment. Accordingly, no person receiving a copy of this Prospectus and/or an application form or subscription agreement in any territory may treat the same as constituting an invitation to him to purchase or subscribe for Shares nor should he in any event use such an application form or subscription agreement unless in the relevant territory such an invitation could lawfully be made without compliance with any registration or other legal requirement.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all of the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

This Prospectus may be updated with important amendments. Consequently, subscribers are advised to ask the Company for the most recent issue of the Prospectus.

Before subscribing to any Share Class and to the extent required by local laws and regulations each Investor shall consult the relevant KID(s). The KID(s) provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may obtain the KID(s) in paper form or on any durable medium agreed between the Management Company or the intermediary and the Investor.

Safeguarding the rights of Shareholders

The Directors draw the investors' attention to the fact that any Investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general meetings of shareholders, if the Investor is registered himself and in his own name in the register of shareholders of the Company. In cases where an Investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

Data Protection

The Company may, itself or through the use of service providers, collect, store on computer systems or otherwise and further process, by electronic or other means, personal data (i.e. any information relating to an identified or identifiable natural person) concerning Shareholders/ Investors and their representative(s) (including, without limitation, legal representatives and authorised signatories), employees, directors, officers, trustees, settlors, their shareholders and/or unitholders, nominees and/or ultimate beneficial owner(s), as applicable ("**Data Subjects**") (the "**Personal Data**"). Failure to provide certain requested Personal Data may result in the impossibility to invest or maintain the holding of Shares of the Company.

To achieve the Purposes and comply with the Regulatory Obligations as defined below, Personal Data provided or collected in connection with an investment in the Company will be disclosed by the Company as data controller (the "**Controller**") to, and processed by, the Management Company, the Depositary, the Registrar and Transfer Agent, the Administration Agent, the Paying Agent, the Auditor, the Investment Manager, the investment advisor, the Global Distributor, the Distributor and its appointed sub-distributors, legal and financial advisers and other potential service providers of the

Company (including their respective information technology providers, cloud service providers and external processing centres) and any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as processors on behalf of the Company (the "**Processors**"). In certain circumstances, the Processors may also process Personal Data of Data Subjects as controllers, in particular for compliance with their legal obligations in accordance with laws and regulations applicable to them (such as anti-money laundering identification) and/or order of any competent jurisdiction, court, governmental, supervisory or regulatory bodies, including tax authorities.

The Controller and Processors will process Personal Data in accordance with Directive 95/46/EC of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "**Data Protection Directive**") as transposed in local laws applicable to them or, when it becomes applicable, Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**"), as well as any law or regulation relating to the protection of personal data applicable to them, as any of such instruments may be modified or complemented from time to time (together the "**Data Protection Legislation**").

Further (updated) information relating to the processing of Personal Data of Data Subjects may be provided or made available, on an ongoing basis, through additional documentation and/or, through any other communications channels, including electronic communication means, such as electronic mail, internet/intranet websites, portals or platform, as deemed appropriate to allow the Controller and/or Processors to comply with their obligations of information according to Data Protection Legislation.

Personal Data may include, without limitation, the name, address, telephone number, business contact information, employment and job history, financial and credit history information, current and historic investments, investment preferences and invested amount, know your customer information of Data Subjects and any other Personal Data that is necessary to the Controller and Processors for the purposes described below. Personal Data is collected directly from Data Subjects by the Controller and Processors or may be collected by the Controller and Processors through publicly available sources, social media, subscription services, worldcheck database, sanction lists, centralised investor database, public registers or other publicly accessible sources.

Personal Data will be processed by the Controller and Processors for the purposes of (i) offering investments in Shares of the Company and performing the related services as contemplated under this Prospectus including but not limited to the opening of the account of Shareholder with the Company, the management and administration of the Shares and any related account on an on-going basis and the operation of the Company's investment in Sub-funds, including processing subscriptions and redemptions, conversion, transfer and additional subscription requests, the administration and payment of distribution fees (if any), payments to Shareholders/Investors, updating and maintaining records and fee calculation, maintaining the register of Shareholders, providing financial and other information to the Shareholders, (ii) developing and processing the business relationship with the Processors and optimizing their internal business organisation and operations, including the management of risk, (iii) their respective affiliates and, (iv) other related services rendered by any service provider of the Controller and Processors in connection with the holding of Shares of the Company (the "**Purposes**").

Personal Data will also be processed by the Controller and Processors to comply with legal or regulatory obligations applicable to them and to pursue their legitimate business interests or to carry out any other form of cooperation with, or reporting to, public authorities including but not limited to legal obligations under applicable fund and company law, anti-money laundering and counter terrorist financing (AML-CTF) legislation, prevention and detection of crime, tax law such as reporting to the tax authorities under Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) or any other tax identification legislation to prevent tax evasion and fraud as applicable, and to prevent fraud, bribery, corruption and the provision of financial and other services to persons subject to economic or trade sanctions on an on-going basis in accordance with the AML-CTF procedures of the Controller and Processors, as well as to retain AML-CTF and other records of the Data Subjects for the purpose of screening by the Controller and Processors (the "**Compliance Obligations**").

The Shareholders/Investors acknowledge that the Company acting as Controller may be obliged to collect and report any relevant information in relation to them and their investments in the Company (including but not limited to name and address, date of birth and U.S. tax identification number (TIN), account number, balance on account, the "**Tax Data**") to the Luxembourg tax authorities (*Administration des contributions directes*) which will exchange this information (including Personal Data, financial and tax information) on an automatic basis with the competent authorities in the United States or other permitted jurisdictions (including the U.S. Internal Revenue Service (**IRS**) or other US competent authority and foreign tax authorities located outside the European Economic

Area) only for the purposes provided for in FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation.

It is mandatory to answer questions and requests with respect to the Data Subjects' identification and Shares held in the Company and, as applicable, FATCA and/or CRS. The Company, the Management Company and the Administration Agent reserve the right to reject any application for Shares if the prospective investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements. Shareholders/Investors acknowledge that failure to provide relevant Personal Data requested by the Controller or the Processors in the course of their relationship with the Company may result in incorrect or double reporting, prevent them from acquiring or maintaining their Shares of the Company and may be reported by the Company, the Management Company and the Administration Agent to the relevant Luxembourg authorities.

Communications (including telephone conversations and e-mails) may be recorded by the Company acting as controller and/or by the Management Company and the Administration Agent acting as processors on behalf of the Controller where necessary for the performance of a task carried out in the public interest or where appropriate to pursue the Controller' legitimate interests, including (i) for record keeping as proof of a transaction or related communication in the event of a disagreement, (ii) for processing and verification of instructions, (iii) for investigation and fraud prevention purposes, (iv) to enforce or defend the Controller' and Processors' interests or rights in compliance with any legal obligation to which they are subject and (v) for quality, business analysis, training and related purposes to improve the Controller and Processors relationship with the Shareholders/Investors in general. Such recordings will be processed in accordance with Data Protection Legislation and shall not be released to third parties, except in cases where the Controller and/or Processors are compelled or entitled by laws or regulations applicable to them or court order to do so. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Processors.

Controller and Processors will collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) as a result of the subscription or request for subscription of the Shareholders/ Investors to invest in the Company where necessary to perform the Purposes or to take steps at the request of the Shareholders/Investors prior to such subscription, including as a result of the holding of Shares in general and/or; (ii) where necessary to

comply with a legal or regulatory obligation of the Controller or Processors and/or; (iii) where necessary for the performance of a task carried out in the public interest and/or; (iv) where necessary for the purposes of the legitimate interests pursued by Controller or by Processors, which mainly consist in the performance of the Purposes, including where the application form is not filled in directly by the Shareholders/Investors or in direct or indirect marketing activities as described in the Purposes mentioned above or, in complying with the Compliance Obligations and/or any order of any court, government, supervisory, regulatory or tax authority, including when providing investment services to any beneficial owner and any person holding Shares directly or indirectly in the Company and/or; (v) where applicable under certain specific circumstances, on the basis of the Shareholders/Investors' consent (which consent may be withdrawn at any time without affecting the lawfulness of processing based on such consent before its withdrawal).

Personal Data will only be disclosed to and/or transferred to and/or otherwise accessed by the Processors and/or any target entities, sub-funds and/or other funds and/or their related entities (including without limitation their respective management company and/or central administration/investment manager/service providers) in or through which the Company intends to invest, as well as any court, governmental, supervisory or regulatory bodies, including tax authorities in Luxembourg or in various jurisdictions, in particular those jurisdictions where (i) the Company is or is seeking to be registered for public or limited offering of its Shares, (ii) the Shareholders/Investors are resident, domiciled or citizens or (iii) the Company is, or is seeking to, be registered, licensed or otherwise authorised to invest for carrying out the Purposes and to comply with the Compliance Obligations (the **Authorised Recipients**"). The Authorised Recipients may act as processor on behalf of Controller or, in certain circumstances, as controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with laws and regulations applicable to them and/or order of court, government, supervisory or regulatory body, including tax authority.

Controller undertakes not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Shareholders/Investors from time to time or if required by applicable laws and regulations applicable to them or, by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

By investing in Shares of the Company, the Shareholders/Investors acknowledge that Personal Data of Data Subjects may be processed for the Purposes and Compliance Obligations described above and in particular, that the transfer and disclosure of such Personal Data may be made to the Authorised Recipients, including the Processors, which

are located in Luxembourg and may also be located outside of the European Union, in countries which are not subject to an adequacy decision of the European Commission and which legislation does not ensure an adequate level of protection as regards the processing of personal data. Controller will only transfer Personal Data of Data Subjects for performing the Purposes or for complying with the Compliance Obligations.

Controller will transfer Personal Data of the Data Subjects to the Authorised Recipients located outside of the European Union either (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-U.S. Privacy Shield framework or, (ii) on the basis of appropriate safeguards according to Data Protection Legislation, such as standard data protection clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism or, (iii) in the event it is required by any judgment of a court or tribunal or any decision of an administrative authority, Personal Data of Data Subjects will be transferred on the basis of an international agreement entered into between the European Union or a concerned member state and other jurisdictions worldwide or, (iv) where applicable under certain specific circumstances, on the basis of the Shareholders/Investors' explicit consent or, (v) where necessary for the performance of the Purposes or for the implementation of pre-contractual measures taken at the Shareholders/Investors' request or, (vi) where necessary for the Processors to perform their services rendered in connection with the Purposes which are in the interest of the Data Subjects or, (vii) where necessary for important reasons of public interest or, (viii) where necessary for the establishment, exercise or defence of legal claims or, (ix) where the transfer is made from a register, which is legally intended to provide information to the public or, (x) where necessary for the purposes of compelling legitimate interests pursued by the Controller, to the extent permitted by Data Protection Legislation.

In the event the processing of Personal Data of Data Subjects or transfers of Personal Data of Data Subjects outside of the European Union take place on the basis of the consent of the Shareholders/Investors, the Data Subjects are entitled to withdraw their consent at any time without prejudice to the lawfulness of the processing and/or data transfers carried out before the withdrawal of such consent. In case of withdrawal of consent, Controller will accordingly cease such processing or data transfers. Any change to, or withdrawal of, Data Subjects' consent can be communicated in writing to the Company/Management Company/Administration Agent.

Insofar as Personal Data is not provided by the Data Subjects themselves (including where Personal Data provided by the Shareholders/Investors include Personal Data concerning

other Data Subjects), the Shareholders/Investors represent that they have authority to provide such Personal Data of other Data Subjects. If the Shareholders/Investors are not natural persons, they undertake and warrant to (i) adequately inform any such other Data Subject about the processing of their Personal Data and their related rights (as well as how to exercise them) as described under this Prospectus, in accordance with the information requirements under the Data Protection Legislation and (ii) where necessary and appropriate, obtain in advance any consent that may be required for the processing of the Personal Data of other Data Subjects as described under this Prospectus in accordance with the requirement of Data Protection Legislation. Any consent so obtained is documented in writing. Shareholders/Investors will indemnify and hold the Controller and the Processors harmless for and against all financial consequences arising from any breach of the above warranties.

Data Subjects may request, in the manner and subject to the limitations prescribed in accordance with Data Protection Legislation, (i) access to and rectification or deletion of Personal Data concerning themselves, (ii) a restriction or objection of processing of Personal Data concerning themselves and, (iii) to receive Personal Data concerning themselves in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller and, (iv) to obtain a copy of, or access to, the appropriate or suitable safeguards, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism, which have been implemented for transferring the Personal Data outside of the European Union. In particular, Data Subjects may at any time object, on request, to the processing of Personal Data concerning themselves for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controller or Processors. Each Data Subject should address such requests to the Company/Management Company/Administration Agent.

The Shareholders/Investors are entitled to address any claim relating to the processing of their Personal Data carried out by Controller in relation with the performance of the Purposes or compliance with the Compliance Obligations by lodging a complaint with the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données* – www.cnpd.lu).

The Controller and Processors processing Personal Data on behalf of the Controller will accept no liability with respect to any unauthorised third party receiving knowledge and/or having access to Personal Data, except in the event of proved negligence or wilful misconduct of the Controller or such Processors.

Personal Data of Data Subjects will be retained by the Controller and Processors until Shareholders cease to hold Shares of the Company and a subsequent period of 10 years thereafter where necessary to comply with laws and regulations applicable to them or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by laws and regulations applicable to them. In any case, Personal Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes and Compliance Obligations contemplated in this Prospectus, subject always to applicable legal minimum retention periods.

The distribution of this Prospectus in certain countries may require that this Prospectus will be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The price of Shares in the Company and the income from them may go down as well as up and a Shareholder may not get back the amount invested.

Copies of this Prospectus can be obtained from and enquiries regarding the Company should be addressed to the registered office of the Company.

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DEFINITIONS

"1915 Law"	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
"2010 Law"	Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time.
"Accumulation Shares" or "Acc"	Shares which accumulate their income so that the income is included in the price of the shares.
"Administration Fee"	The fee which is paid by the Company to the Administration Agent to meet the administrative and certain operating costs of the Company.
"Administration Agent"	Brown Brothers Harriman (Luxembourg) S.C.A., acting in its capacity of administration agent of the Company.
"Articles"	The articles of incorporation of the Company as amended from time to time.
"Business Day"	A full day on which banks are normally open for business in Luxembourg unless otherwise defined for a Sub-fund in Appendix III.
"CET"	The Central European Time.
"China" or "PRC"	The People's Republic of China (excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) and the term "Chinese" shall be construed accordingly.
"Commitment Approach"	Under the commitment approach, financial derivative positions are converted into the market value of the equivalent positions in the underlying asset.

"Company"	Fullgoal International Funds SICAV, which term shall include any Sub-fund from time to time thereof.
"CSDCC"	The China Securities Depository and Clearing Corporation Limited.
"CSRC"	The China Securities Regulatory Commission.
"CSSF"	<i>Commission de Surveillance du Secteur Financier.</i>
"Dealing Currency"	The currency or currencies in which applicants may currently subscribe for the Shares of any Sub-fund as indicated under Section 1.3.
"Dealing Day"	Unless otherwise provided for in the Sub-fund's details in Appendix III, a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Sub-fund and such other day as the Directors may decide from time to time.
"Depository"	Brown Brothers Harriman (Luxembourg) S.C.A., Luxembourg, acting as depository.
"Depository Fee"	The fee which is paid by the Company to the Depository.
"Directors"	The Board of Directors of the Company.
"Distributor"	Fullgoal Asset Management (HK) Limited.
"Distribution Period"	The period from one date on which dividends are paid by the Company to the next distribution. This may be annual or in other frequency to be determined by the Directors.
"Distribution Shares" or "Dist"	Shares which distribute their income.
"EEA"	European Economic Area.

"Eligible Market"	An official stock exchange or a Regulated Market.
"Eligible State"	Includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Directors deem appropriate with regard to the investment objective of each Sub-fund.
"ESMA"	The European Securities and Markets Authority.
"EU"	European Union.
"EUR"	The European currency unit (also referred to as the Euro).
"Global Distributor"	Lemanik Asset Management S.A.
"Gross Asset Value"	The Net Asset Value of a Sub-fund or a Share Class (as the context may require) <i>before</i> deduction of any provision for the Performance Fee and any distribution declared or paid in respect of the relevant performance period, but after deduction of all other fees and expenses.
"Group of Twenty (G20)"	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union.
"Initial Subscription Period"	The period during which Shares in relation to a Sub-fund may be subscribed at the Initial Issue Price, as specified in Appendix III for each Sub-fund.

"Initial Issue Date"	The date at which Shares in relation to a Sub-fund may be issued at the Initial Issue Price, as specified in Appendix III for each Sub-fund.
"Initial Issue Price"	The price at which Shares may be subscribed to during the Initial Subscription Period of each Sub-fund or issued at the Initial Issue Date as provided for in Appendix III.
"Institutional Investor"	Institutional investor(s) within the meaning of article 174 of the 2010 Law.
"Investment Manager"	Means the appointed Investment Manager as defined in Appendix III for each Sub-fund and/or any other person or entity as may, subject to the prior acknowledgement of the CSSF, subsequently be appointed as investment manager(s) of the SICAV as further described in section 3.1 of this Prospectus.
"Investment Management Fee"	The fee which is paid by the Company to the Investment Manager.
"Investor"	A subscriber for Shares.
"KID"	Key Information Document as defined in Regulation 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (" PRIIPs "). For the avoidance of any doubt and where relevant, the references to KID in this Prospectus shall be understood as references to Key Investor Information Document (" KIID ") within the meaning of Article 159 of the 2010 Law.
"Management Company"	Lemanik Asset Management S.A.
"Management Fee"	The fee which is paid to the Management Company by the Company.

"Minimum Additional Subscription Amount"	As defined in Appendix III for each Sub-fund.
"Minimum Subscription Amount"	As defined in Appendix III for each Sub-fund.
"Net Asset Value"	Net Asset Value per Share multiplied by the number of Shares.
"Net Asset Value per Share"	The value per Share of any Share Class determined in accordance with the relevant provisions described under "Calculation of Net Asset Value".
"OECD"	The Organisation for Economic Co-operation and Development.
"Paying Agent"	Brown Brothers Harriman (Luxembourg) S.C.A., as principal paying agent of the Company and any other paying agent appointed from time to time.
"Performance Fee"	The performance fee which is paid to the Investment Manager based on the performance of the relevant Share Class as further described in the relevant Sub-fund appendix.
"PRC Custodian"	HSBC Bank (China) Company Limited
"PRC Stock Exchanges"	The Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange qualifying as Regulated Market that may open in the PRC in the future.
"QFI"	Means the qualified foreign investor as referred to under the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors issued by the CSRC, PBOC and SAFE on 25 September 2020.

"QFI Eligible Securities"	Securities and investments permitted to be held or made by a QFI under the QFI Regulations.
"QFI Regulations"	The laws and regulations governing the establishment and operation of the QFI regime in the Mainland China, as may be promulgated and/or amended from time to time.
"Register"	The register of Shareholders of the Company.
"Registrar and Transfer Agent"	Brown Brothers Harriman (Luxembourg) S.C.A., acting as Registrar- and Transfer Agent of the Company.
"Regulatory Authority"	The Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg.
"Reference Currency"	The currency of denomination of the relevant Class or Sub-fund, as defined in Appendix III for each Sub-fund.
"Regulated Market"	A market defined in article 4 paragraph 1, item 14 of directive 2004/39/EC of 21 April 2004 on markets in financial instruments as well as any other market which is regulated, operates regularly and is recognised and open to the public.
"RMB"	Renminbi, the official currency of the PRC, is used to denote the Chinese currency traded in the onshore and the offshore markets (primarily in Hong Kong SAR) – to be read as a reference to onshore Renminbi (CNY) and/or offshore Renminbi (CNH) as the context requires. For clarification purposes, all references to RMB in the name of a Share Class or in the Reference Currency and/or the Dealing Currency must be understood as a reference to offshore RMB (CNH) unless otherwise specified in Appendix III for a specific Sub-fund or Share Class.

"SAFE"	The PRC State Administration of Foreign Exchange.
"Share Class"	A class of Shares with a specific fee structure or other distinctive features.
"Share"	A share of no par value in any one Share Class in the capital of the Company.
"Shareholder"	A holder of one or more Shares in the capital of the Company.
"SICAV"	A <i>Société d'Investissement à Capital Variable</i> (investment company with variable capital).
"Sub-fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-fund.
"UCITS"	An "undertaking for collective investment in transferable securities" within the meaning of Article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time.
"UCI"	An undertaking for collective Investment other than a UCITS.
"UK"	United Kingdom.

"USA" or "US"	United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.
"USD"	United States Dollar.
"VaR"	Value at risk, a risk measurement tool to determine the global exposure risk of the Company.

All references herein to time are to Central European Time (CET) unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

BOARD OF DIRECTORS

Chairman:

Mr. Zhang Lixin

Mr. Zhang Lixin is chief executive officer and director of Fullgoal Asset Management (HK) Limited. Prior to joining Fullgoal Asset Management (HK) Limited, Mr. Zhang was chief legal and compliance officer at Haitong International Holdings Limited from 2009 to 2012. From 2004 to 2009, Mr. Zhang was head of compliance at Fullgoal Fund Management Company Limited. From 1999 to 2004, Mr. Zhang was legal counsel at Shenying Wanguo Securities Company Limited.

Mr. Zhang has over 10 years of asset management experience specializing in legal and compliance.

Mr. Zhang holds a Master degree in Law from Jilin University.

Board Members:

Mr. Chow Yuk Sing (Michael)

Mr. Chow Yuk Sing is managing director and responsible officer at Fullgoal Asset Management (HK) Limited. Prior to joining Fullgoal Asset Management (HK) Limited, Mr. Chow was executive director at CICC from 2011 to 2012. From 1998 to 2011, Mr. Chow held various senior positions at MCL Assets Limited, Superfund Financial (HK) Limited, American Express Bank and MFS International Limited.

Mr. Chow started his asset management career as assistant director at Jardine Fleming Unit Trusts Limited from 1992 to 1998.

Mr. Chow has over 20 years of asset management experience in sales and marketing, business development and office management in Asia.

Mr Dimitri Brunwasser

Mr Brunwasser is responsible for the Business Development at Lemanik Asset Management S.A. and FATCA Responsible Officer for most of the firm's clients. He

originally joined the firm in 2013 as Relationship Manager for Asian and UK customers and he has coordinated the fund launch and integration of several new customers.

Prior to this, Mr Brunwasser worked from 1999 to 2013 at State Street Bank Luxembourg. He started his career in Transfer Agency Services and worked successively as cash & reconciliation administrator, senior query desk investigator and Dealing Team Manager. In 2007, he became Sales & Marketing Manager for the bank and was in charge of RFP management, sales and cross-selling activities and new business on-boarding. He was a member of the Depository Steering Committee.

Mr Brunwasser holds a Master of Arts in American and British Literature and Civilization of the University of Metz (France) and the Medal of National Defense from the French Military.

ADMINISTRATION

Registered Office of the Company

106, route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

Management Company and Domiciliary Agent

Lemanik Asset Management S.A., 106 route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

Depositary

Brown Brother Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

Administration, Registrar and Transfer Agent

Brown Brother Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

Principal Paying Agent

Brown Brother Harriman (Luxembourg) S.C.A., 80 route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

Investment Manager

Unless otherwise provided for in Appendix III, the appointed Investment Manager for the Company is Fullgoal Asset Management (HK) Limited.

Global Distributor

Lemanik Asset Management S.A., 106 route d'Arlon, L-8210 Mamer, Grand Duchy of Luxembourg.

Distributor

Fullgoal Asset Management (HK) Limited, 19/F, No. 33 Des Voeux Road Central, Hong Kong.

Auditor

PricewaterhouseCoopers *société coopérative*, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg.

Legal Adviser as to matters of Luxembourg law

Elvinger Hoss Prussen, *société anonyme*, 2, Place Winston Churchill, L-1340 Luxembourg,
Grand Duchy of Luxembourg.

1. THE COMPANY

1.1 STRUCTURE

The Company is an open-ended investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a UCITS and as *société d'investissement à capital variable* ("**SICAV**") under part I of the 2010 Law. The Company operates separate Sub-funds, each of which is represented by one or more Share Classes. The Sub-funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Sub-fund are segregated from those of the other Sub-fund(s) in accordance with the provisions of article 181 of the 2010 Law. This means that the assets of each Sub-fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-fund and the assets of a specific Sub-fund are solely accountable for the liabilities, commitments and obligations of that Sub-fund.

The Directors may at any time resolve to set up new Sub-funds and/or create within each Sub-fund one or more Share Classes and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Sub-fund, or one or more Share Classes within a Sub-fund to further subscriptions. The Directors may choose to assert such right in respect of all investors, or just new investors or accept subscriptions from some investors but not others.

The reference currency of the Company is the USD and all the financial statements of the Company will be prepared in accordance with the Luxembourg generally accepted accounting principles ("**Luxembourg GAAP**") and be presented in USD.

1.2 INVESTMENT OBJECTIVES AND POLICIES

The exclusive objective of the Company is to place the Sub-funds available to it in transferable securities and other permitted assets of any kind permitted by part I of the 2010 Law, including financial derivative instruments, with the aim of spreading investment risks and affording its Shareholders the results of the management of its portfolios. The Company may take any measures and carry out any transaction which it may deem useful for the fulfilment and development of its purpose to the largest extent permitted under part I of the 2010 Law.

Moreover, the Board may adopt, for one or more Sub-fund(s), master-feeder strategies in view of pooling its assets and achieving economies of scale between European-domiciled UCITS within the meaning of article 1, paragraph 2 (a) and (b) of the UCITS Directive. The relevant Feeder Fund (as defined in the UCITS Directive) can thus derogate from the standard diversification limits in order to invest its assets in only one Master Fund (as defined in the UCITS Directive) or compartment thereof. The Feeder Fund will have to invest at least 85% of its assets in the Master Fund with the 15% remaining assets being invested in other eligible assets. A Feeder Fund may either cease to be a Feeder Fund or replace its Master Fund. Shareholders will then be informed accordingly and both, the Prospectus and the relevant KID will be adapted accordingly after the prior approval of the CSSF.

Any Sub-fund may further invest its assets in Shares issued by another Sub-fund in accordance with Luxembourg laws, regulations and administrative practice. Within the Company it is hence possible to create Sub-funds with fund of funds investment policies which may invest its monies in Shares issued by other Sub-fund(s), without the Company being subject to the relevant provisions of the 1915 Law. However, not more than 10% of the assets of the target Sub-fund can then be invested in other Sub-funds. The voting rights of the Shares in the target Sub-fund are suspended during the period of investment. In this context Administration Fees may only be charged once.

The specific investment objective and policy of each Sub-fund is described in Appendix III.

The investments of each Sub-fund shall at any time comply with the restrictions set out in Appendix I, and Shareholders should, prior to any investment being made, take due account of the risks of investments set out in Appendix II.

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR")

The Management Company analyses sustainability risks as part of its risk management process.

Sustainability risks mean an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-fund's investment. Sustainability risks can either represent a risk of their own or have

an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Sustainability risks are likely to have an immaterial impact on the value of the Sub-fund's investments in the medium to long term.

Regarding the Management Company's risk management process, on a quarterly basis, using external data from third-party providers, the Management Company creates a Sustainability Risk Report with ESG Scoring and Climate Risk Reporting for each Sub-fund. The Management Company will monitor a variety of factors on the invested assets, such as availability of information and ESG Rating at investee company level, carbon and water footprints, screening of controversies on environmental, social and governance aspects.

In case sustainability risks are not considered to be relevant for a specific Sub-fund this will be disclosed.

As at the date of this Prospectus, all Sub-Funds qualify as article 6 Sub-Funds within the meaning of the SFDR and, therefore, do not consider principal adverse impacts on sustainability factors as the investment policies of those Sub-Funds do not promote any environmental and/or social characteristics (within the meaning of the SFDR). The situation may however be reviewed going forward.

1.3 SHARE CLASSES

The Directors may decide to issue within each Sub-fund different Share Classes whose assets will be collectively invested pursuant to the specific investment policy of the relevant Sub-fund, but where a specific fee structure, currency of denomination, dividend policy or other specific feature may apply to each Share Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class. The Shares and Share Classes available at the date of this Prospectus and the particular features of each Share Class per Sub-funds are disclosed in Appendix III.

Shares may be differentiated between Accumulation Shares or Distribution Shares. Prospective Shareholders may enquire at the Registrar and Transfer Agent or the Distributors whether any Accumulation or Distribution Shares are available within a relevant Share Class and Sub-fund. The distribution policy of each Class is described in Appendix III. Please refer to section "3.3. Dividends" for further details as well as to Appendix II as regards the risks linked thereto.

Distribution Shares will be referenced as "Dist" and Accumulation Shares are referenced as "Acc".

Certain Share Classes of a Sub-fund may be subject to a Performance Fee and these Share Classes will be referenced with PF in the name of the Share Class. For more information, please refer to Appendix III in relation to each Sub-fund.

Assets of the Share Classes may be hedged against different currency risks as further specified in Appendix III in relation to each Sub-fund.

Shareholders are informed that not all Distributors offer all Share Classes or Sub-funds.

In case of the creation of additional Share Classes, this Prospectus and the relevant KID will be updated accordingly.

Minimum Subscription Amount and Minimum Additional Subscription Amount (as indicated or equivalent in any freely convertible currencies).

The Minimum Subscription Amount and Minimum Additional Subscription Amount that may be applied can vary according to the Sub-fund and the Share Class, and are provided for in Appendix III.

The Directors may at their absolute discretion from time to time waive the Minimum Subscription Amount and Minimum Additional Subscription Amount, if any.

2. SHARE DEALING

2.1. ISSUE AND REDEMPTION OF SHARES

Shares may be purchased and redeemed at the offices of the Registrar and Transfer Agent, the Depositary and the Paying Agents. In addition it is possible to purchase Shares through third parties, in particular through other banks and financial services providers. The

Management Company, Depositary, Global Distributor and other Distributors shall at all times comply with statutory and other regulations relating to the prevention of money laundering and terrorist financing.

Unless otherwise provided for in Appendix III, if completed application forms are received by the Registrar and Transfer Agent on any Business Day before 10.30 a.m. CET ("Cut-Off-Time"), Shares will normally be issued at the relevant Net Asset Value per Share as per the day when the application is received, meaning the Dealing Day, calculated on the following Business Day, as defined below under "Calculation of Net Asset Value" (incorporating any applicable subscription fee). The Company may determine a different Cut-Off-Time for subscriptions of each Sub-fund. For details regarding each Sub-fund please refer to Appendix III.

Unless otherwise provided for in Appendix III, the Company will not accept full or partial subscriptions in kind. In the case when the Company may accept full or partial subscriptions in kind at its own discretion, the capital subscribed in kind must correspond with the investment policy and restrictions of the Sub-fund concerned. These investments will also be audited by the auditor assigned by the Company. The associated costs will be charged to the requested shareholder.

Unless otherwise provided for in Appendix III, redemption instructions accepted by the Registrar and Transfer Agent on any Business Day before 10.30 a.m. CET will normally be executed at the relevant Net Asset Value per Share as per the day when redemption instructions are received, meaning the Dealing Day calculated on the following Business Day (less any applicable redemption charge). The redemption price shall be paid without delay after this Dealing Day in the currency of the relevant Sub-fund. The Company may determine a different Cut-Off-Time for redemptions of each Sub-fund. For details regarding each Sub-fund please refer to Appendix III.

Unless otherwise provided for in Appendix III, the Company will not offer investors full or partial redemptions in kind. In the case when the Company may offer investors full or partial redemptions in kind at its own discretion, the capital redeemed in kind must correspond with the investment policy and restrictions of the Sub-fund concerned. These payments will also be audited by the auditor assigned by the Company. The associated costs will be charged to the requested shareholder.

Unless otherwise provided for in Appendix III, the settlement periods are the following:

- Payment of the Initial Price: within three (3) Business Days from the end of the Initial Issue Date.
- Payment of Subscription Price: within three (3) Business Days from the relevant Dealing Day.
- Payment of Redemption Price: within three (3) Business Days from the relevant Dealing Day.

The Paying Agents and the Depositary shall be required to make payments only where no statutory provisions, for example foreign exchange regulations, or other circumstances beyond their control which prevent remittance of the redemption price.

The subscription and redemption of Shares should be for investment purposes only. The Management Company does not tolerate "market timing" or other excessive trading practices, as described under 2.5.

Publications

The Management Company will ensure that information intended for the Shareholders is published or communicated to them in an appropriate manner.

The following documents will be available for inspection during ordinary business hours at the registered office of the Management Company:

1. Prospectus;
2. Articles;
3. KID(s);
4. Management Company, Depositary, Investment Manager, Administration Agent, Registrar and Transfer Agent and Paying Agent Agreements; and
5. Latest annual and semi-annual reports of the Company.

The Prospectus may be delivered in durable medium or by means of a website. A hard copy shall, in any case, be supplied to Shareholders on request and free of charge. This includes, in particular, publication of the Share prices in those countries in which Shares of the Sub-funds are offered for sale to the public. The issue and redemption prices can also be obtained from the Management Company as well as from the Depositary and the Paying Agents. The Annual and Semi-Annual Reports as well as the Prospectuses, the KIDs and the Articles are also available free of charge from these parties.

Different procedures may apply if subscriptions or redemptions are made through Distributors.

All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

Types of Shares

Shares will be issued in registered form only and ownership of Shares will be evidenced by entry in the Register. Registered Shares are in non-certificates form. No temporary documents of title or Share certificates will be issued, Unless otherwise specified in the Sub-funds Details, fractional entitlements to registered Shares will be rounded down to three decimal places.

General

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Company in its absolute discretion reserves the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the Shareholder without interest. Prospective Shareholder should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

Anti-Money Laundering Procedures

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended from time to time and the relevant applicable regulation and circular, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the Company or its agent(s) must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations unless the subscription order has already been verified by an eligible professional subject to identification requirements equivalent to those imposed by Luxembourg laws and regulations. The Company or its agent(s) may require subscribers to provide acceptable proof of identity and for subscribers

who are legal entities, an extract from the registrar of companies or articles of incorporation or other official documentation.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an applicant to provide the documents required, the application for subscription will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Company, the Management Company nor its agent(s) have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under relevant laws and regulations.

Listing

Certain eligible Shares are or will be listed on stock exchanges and negotiated and traded on EU Regulated Markets.

Consequently, some rules set forth in this Prospectus may be not applicable to those listed Share Classes in favour of the application of laws and regulations of the relevant Regulated Market.

Restrictions applying to certain Shareholders

General

Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each Shareholder must represent on demand from the Company or its agent(s) and warrant to the Company or its agent(s) that, amongst other things, he is able to acquire Shares without violating applicable laws. Power is reserved in the Articles to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

US Investors

Shares are not offered in the United States and may not be offered to or purchased by a citizen or resident thereof.

The Shares have not been registered under the United States Securities Act of 1933; they may therefore not be publicly offered or sold in the United States of America, or in any of its territories subject to its jurisdiction or to or for the benefit of a United States person. The term "United States person", as used herein, means any citizen or resident of the United States of America (including any corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof) or any estate or trust that is subject to United States federal income taxation regardless of the source of its income.

FATCA

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA, as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal

Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law places upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company, in its capacity as the Company's management company may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA;
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Company reserves the right to refuse any application for Shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the Luxembourg IGA.

Shareholders, and intermediaries acting for Shareholders, should note that it is the existing policy of the Company that Shares are not being offered or sold for the account of US Persons and that subsequent transfers of Shares to US Persons are prohibited. If Shares are beneficially owned by any US Person, the Company may in its discretion compulsorily redeem such Shares. Shareholders should moreover note that under the FATCA legislation, the definition of Specified US Persons will include a wider range of investors than the current US Person definition. The Board of Directors may therefore resolve, once further clarity about the implementation of the Luxembourg IGA becomes available, that it is in the interests of the Company to widen the type of investors prohibited from further investing in the Sub-funds and to make proposals including mandatory redemptions regarding existing investor holdings in connection therewith.

2.2. SWITCHING OF SHARES

Switching Procedure

Unless otherwise provided for in Appendix III, a switch transaction is a transaction by which the holding of a Shareholder is converted either into another Share Class within the same Sub-fund or in different Sub-funds within the Company provided they have the same Share Class currency and similar settlement periods.

Acceptance by the Registrar and Transfer Agent of switching instructions will be subject to the availability of the new Share Class/Sub-fund and to the compliance with any eligibility requirements and/or other specific conditions attached to the new Share Class (such as minimum subscription and holding amounts, if any). The switching procedure is processed as redemption followed by a new subscription. A switch transaction may only be processed on the first Dealing Day on which both the Net Asset Values of the Sub-funds involved in the said transaction are calculated.

Shareholders may request at any time the conversion of all or part of their holdings into Shares of another Sub-fund or Share Class.

Switch requests should be sent to the Registrar and Transfer Agent by indicating the name of the Sub-fund into which the shares are to be converted and specifying the Share Class to be converted, the Share Class of the new Sub-fund to be issued.

Unless otherwise provided for in Appendix III, if switching instructions are received by the Registrar and Transfer Agent on any Business Day before 10.30 a.m. CET, Shares will

normally be converted at the relevant Net Asset Value per Share as per the day when switching instructions are received, meaning the Dealing Day, calculated on the following Business Day, as defined below under "Calculation of Net Asset Value".

Subject to a suspension of the calculation of the Net Asset Value, Shares may be converted on any Dealing Day.

Shareholders should seek advice from their local tax advisers to be informed on the local tax consequences of such transaction.

General

Confirmations of transactions will normally be dispatched by the Registrar and Transfer Agent on the next Business Day after Shares are switched. Shareholders should promptly check these confirmations to ensure that they are correct in every detail. Delay in providing the relevant documents may cause the instruction to be delayed or lapse and be cancelled. Due to the settlement period necessary for redemptions, switch transactions will not normally be completed until the proceeds from the redemption are available.

Switch requests will be considered binding and irrevocable by the Company and will, at the discretion of the Company, only be executed where the relevant Shares have been duly issued.

Switches may not be completed until such time as the original subscription has been settled in full.

Different switching procedures may apply if instructions to switch Shares are communicated via Distributors.

All instructions to switch Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

2.3. CALCULATION OF NET ASSET VALUE

Reference Currency

The Net Asset Value is expressed in the reference currency set for each Share Class. The Net Asset Value of the Company is expressed in (USD), and consolidation of the various

Sub-funds is obtained by translating the Net Asset Value of all Sub-funds into (USD) and adding them up.

Calculation of the Net Asset Value per Share

- (A) The Net Asset Value per Share of each Share Class will be calculated as at each Dealing Day in the Dealing Currency of the relevant Share Class. It will be calculated by dividing the total net asset value attributable to each Share Class, being the proportionate value of its assets as at closing of the relevant Dealing Day less its liabilities, by the number of Shares of such Share Class then in issue. The resulting Net Asset Value per Share shall be rounded to the nearest three decimal places. The calculation and publication of the Net Asset Value as at a Dealing Day will take place on the following Business Day.
- (B) In valuing total assets, the following rules will apply:
- (1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.
 - (2) The value of such securities, financial derivative instruments and assets will be determined on the basis of the closing or last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities or assets are traded or admitted for trading.
 - (3) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.
 - (4) The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by

an offsetting transaction at any time at their fair value at the Company's initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction. The reference to reliable and verifiable valuation shall be understood as a reference to a valuation, which does not rely only on market quotations of the counterparty and which fulfils the following criteria:

- (a) The basis of the valuation is either a reliable up-to-market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology.
 - (b) Verification of the valuation is carried out by one of the following:
 - (i) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that the Company is able to check it;
 - (ii) a unit within the Company which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.
- (5) Units or shares in undertakings for collective investments shall be valued on the basis of their last available net asset value as reported by such undertakings.
- (6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.
- (7) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may, fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures. If so required by the rules and regulations of the jurisdiction(s) in which the Sub-fund is authorized, the Directors will consult with the Depositary before applying different valuation principles.

- (8) Any assets or liabilities in currencies other than the Reference Currency of the Sub-funds will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

The Directors are authorised to apply other appropriate valuation principles for the assets of the Sub-funds and/or the assets of a given Share Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

2.4. SUSPENSIONS OR DEFERRALS

- (A) The Company reserves the right not to accept instructions to redeem or switch on any one Dealing Day more than 10% of the total value of Shares in issue of any Sub-fund. In these circumstances, the Directors may decide that the redemption of part or all Shares in excess of the aforementioned 10% limit for which a redemption or switch has been requested will be deferred for a period that the Directors consider to be in the best interest of the Sub-fund concerned, but normally not exceeding 15 Dealing Days. On the next Dealing Day following such period, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Registrar and Transfer Agent, still subject to the aforementioned 10% limit.
- (B) The Company reserves the right to extend the period of payment of redemption proceeds to such period, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of a Sub-fund are invested or in exceptional circumstances where the liquidity of a Sub-fund is not sufficient to meet the redemption requests.
- (C) The Company may, suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Sub-fund and/or the issue and/or redemption of any Share Class in such Sub-fund, and/or the right to switch Shares of any Share Class in any Sub-fund into Shares of the same Share Class of the same Sub-fund or any other Sub-fund:
 - (a) during any period when, according to the opinion of the Directors, any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Sub-fund's investments of the relevant Share Class for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-fund by the Company is impracticable; or
 - (c) during any breakdown in the means of communication normally employed in determining the price or value of any of the relevant Sub-fund's investments or the current prices or values on any market or stock exchange; or
 - (d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or
 - (e) if the Company is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company is proposed; or
 - (f) if the calculation of the share or unit price in the respective Master Fund, in which one or more Sub-fund(s) invest in, has been suspended; or
 - (g) in the event of a merger or a similar event concerning the Company and/or one or more Sub-fund(s) if deemed necessary by the Board in the best interest of the Shareholders concerned; or
 - (h) in case of the suspension of the calculation of an index underlying a financial derivate investment material to a Sub-fund.
- (D) The suspension of the calculation of the Net Asset Value per Share of any Sub-fund shall not affect the valuation of other Sub-funds, unless these Sub-funds are also affected.
- (E) During a period of suspension or deferral, a Shareholder may withdraw his request in respect of any Shares not redeemed or switched, by notice in writing received by the Registrar and Transfer Agent before the end of such period.

- (F) If so required by the rules and regulations of the jurisdiction(s) in which the Sub-fund is authorized, the Directors will consult with the Depositary before any suspensions or deferrals in respect of such Sub-fund.

In accordance with the 2010 Law, the issue and redemption of Shares shall be prohibited:

- (i) during the period where the Company has no depositary bank; and
- (ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

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

2.5. MARKET TIMING AND FREQUENT TRADING POLICY

"Late Trading" is understood to be the acceptance of a subscription (or switching or redemption) order after the applicable cut-off time on the relevant Dealing Day and the execution of such order at a price based on the Net Asset Value per Share applicable for such same day. Late Trading is strictly forbidden.

"Market Timing" is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches Shares within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value per Share of a given Sub-fund. Market Timing practices may disrupt the investment management of the Sub-fund and harm the performance of the relevant Sub-fund.

In order to avoid such practices, Shares are issued, redeemed and switched at an unknown price and the Company will not accept orders received after the relevant cut-off time.

The Company reserves the right to refuse dealing orders with respect to a Sub-fund by any person who is suspected of Market Timing activities and to take appropriate measures to protect other investors of the Company.

3. GENERAL INFORMATION

3.1 ADMINISTRATION DETAILS, CHARGES AND EXPENSES

Management Company and Domiciliary Agent

The Directors have appointed Lemanik Asset Management S.A. as its management company to perform investment management, administration and marketing functions as described in Annex 2 of the 2010 Law pursuant to an agreement effective as of 1 December 2017 entered into between the Company and the Management Company which may be terminated by a written prior notice give three months in advance by either party to the other.

The Management Company has been permitted by the Company to delegate certain administrative and investment management functions to specialised service providers. In that context, the Management Company has delegated certain administration functions to Brown Brothers Harriman (Luxembourg) S.C.A. The Management Company has also delegated certain investment management functions as more fully described below.

The Management Company was incorporated as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg on 1 September 1993 and is approved as a management company regulated by chapter 15 of the 2010 Law relating to undertakings for collective investment. The Management Company has a subscribed and paid-up capital of EUR 2,000,000.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders at any time. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company shall also review and monitor the compliance by the Investment Manager with the investment policy and restrictions of the Company and oversee the implementation of the Sub-fund's strategies and investment policy by the Sub-funds.

The Management Company shall also send reports to the Directors on a periodic basis and inform each Director without delay of any non-compliance with the investment restrictions by any Sub-fund.

The Management Company will receive periodic reports from the Investment Manager detailing the relevant Sub-fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the relevant Sub-fund's other services providers in relation to the services which they provide.

The Management Company also acts as management company for other investment funds. An up-to-date list of those investment funds is available, free of charge and upon request, at the registered office of the Management Company.

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the "**Remuneration Policy**").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Company or the Sub-funds.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website <http://lux.lemanikgroup.com/corporate#policies-remuneration>.

- 1) A paper copy of the Remuneration Policy is available free of charge to the shareholders upon request.
- 2) The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.
- 3) In particular, the Remuneration Policy will ensure that:
 - a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;

- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
 - c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
 - d) the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Company and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
 - e) the variable remuneration to individuals is paid in a manner that does not facilitate avoidance of the requirement of the 2010 Law; and
 - f) the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.
- 4) In context of delegation, the Remuneration Policy will ensure that the delegate comply with the following:
- a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
 - b) if at any point of time, the management of the Company were to account for 50% or more of the total portfolio managed by the delegate, at least 50% of any variable remuneration component will have to consist of shares, equivalent ownership interests, or share-linked instruments or equivalent

non-cash instruments with equally effective incentives as any of the instruments referred to in this item; and

- c) a substantial portion, and in any event at least 40% of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

The Management Company shall be supervised by an independent auditor. At present, this function is performed by Deloitte Audit Luxembourg.

The Company has also appointed Lemanik Asset Management S.A. as Domiciliary Agent of the Company.

In its capacity of Domiciliary Agent, Lemanik Asset Management S.A. will be responsible for all corporate agency duties required by Luxembourg law, and in particular for providing and supervising the mailing of statements, reports, notices and other documents of the Company and its Sub-funds to the Shareholders, in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

Investment Manager

With the consent of the Directors, the Management Company may delegate all or part of its management duties to one or more Investment Manager(s).

For details of the respective Investment Manager, appointed for a Sub-fund, please refer to Appendix III.

Investment Advisor

The Management Company and the Investment Manager may, at their own risk and cost, appoint one or more investment advisor(s) to advise them on the management of one or more Sub-fund(s).

Investment Management Fee

The respective Investment Manager is entitled to receive as remuneration for its services an Investment Management Fee, which will be paid out of the Company. The Investment

Management Fee accrues daily, is based on the Net Asset Value of the relevant Share Class and is paid monthly based on the last available Net Asset Value of the relevant Share Class.

For details of the Investment Management Fee applicable to a specific Share Class, please refer to Appendix III.

Performance Fees

The Investment Manager may, in addition to the Investment Management Fee, be entitled to a Performance Fee. Details of such a Performance Fee are set out in Appendix III for each Sub-fund, if applicable.

The Investment Manager may, to the extent permitted by applicable laws and regulations, at its sole discretion share the Investment Management Fee and or Performance Fees with selected Distributors and other entities engaged in distribution and investor relations of the Company.

Distribution of Shares

The Management Company is responsible for the marketing of the shares of the Company. The Management Company may appoint one or more distributors subject to the prior approval of the Company.

In consideration for its ongoing distribution and marketing services in relation to investors and intermediaries, the Distributor is entitled to receive an annual fee paid out of the Investment Management Fees.

The Distributor may also receive a remuneration which consists of a trailer fee. The trailer fee represents a rebate of the Investment Management Fee and is based on the Distributor's holdings in the Company.

Depositary

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as the depositary of the assets of the Company pursuant to the terms of a Depositary Bank Agreement.

Brown Brothers Harriman (Luxembourg) S.C.A. is registered with the Luxembourg Company Register (RCS) under number B 29923 and has been incorporated under the laws

of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector. Brown Brothers Harriman (Luxembourg) S.C.A. is a bank organised as a *société en commandite par actions* in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 80, Route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

The Depositary shall assume its functions and responsibilities as a fund depositary in accordance with the provisions of Depositary Agreement and the Directive 2014/91/EU (amending EU Directive 2009/65/CE) of the European Parliament and the Council on Undertaking for Collective Investments in Transferable Securities ("UCITS") as regards Depositary functions, remunerations policies and sanctions, the European Commission Delegated Regulation EU 2016 /438 of 17 December 2015 supplementing the Directive 2009/65/EC with regard to obligations of depositories (together the 'UCITS law') and the CSSF Circular 14/587 (as amended) on provisions applicable to credit institutions acting as Depositories of UCITS subject to part I of the Law of 17 December 2010:

- (a) ensuring that the sale, issue, repurchase, redemption and cancellation of the Shares are carried out in accordance with the Articles and applicable Luxembourg law, rules and regulations;
- (b) ensuring that the value of the Shares is calculated in accordance with the Articles and the 2010 Law;
- (c) ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;
- (d) ensuring that the Company's income is applied in accordance with the Articles and the 2010 Law; and
- (e) carrying out the instructions of the Company or of the Management Company, on behalf of the Company, whilst ensuring they did not conflict with the Articles or the 2010 Law.

In accordance with the provisions of the Depositary Bank Agreement and the 2010 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties with regard to financial instruments to one or more correspondents appointed by the Depositary from time to time.

The Depositary liability shall not be affected by any such delegation and it will continue to be liable to the Company or its Shareholders pursuant the provisions of the 2010 Law.

The 2010 Law provides for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the Company unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary will be liable to the Company for any losses of a financial instrument held in custody arising out of the Depositary negligent or intentional failure to properly fulfil its obligations pursuant to the 2010 Law.

The Depositary or the Company may, at any time, and subject to a written prior notice of at least ninety (90) calendar days from either party to the other, terminate the appointment of the Depositary, provided however that the termination of the Depositary appointment by the Company is subject to the condition that another depositary bank assumes the functions and responsibilities of a depositary bank. Upon termination of the Depositary Agreement, the Company shall be obliged to appoint a new depositary bank which shall assume the functions and responsibilities of a depositary bank in accordance with the Articles and the 2010 Law, provided that, as from the expiry date of the notice until the date of the appointment of a new depositary bank by the Company, the Depositary's only duties shall be to take such steps as are necessary to protect the interests of Shareholders.

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and the Shareholders of the Company.

The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations.

The Depositary has policies and procedures governing the management of conflict of interest. These policies and procedures address conflicts of interest that may arise through the provision of services to UCITS.

The Depositary policies require that all material conflicts of interest involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organizational and

administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the Company and to shareholders and (ii) managing and monitoring such conflicts.

The Depositary ensures that employees are informed, trained and advised of conflict of interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent conflict of interest issues.

Compliance with conflict of interest policies and procedures is supervised and monitored by the board of managers as general partner of the Depositary and by the Depositary authorized management, as well as the Depositary compliance, internal audit and risk management functions.

The Depositary shall take all reasonable steps to identify and mitigate potential conflicts of interest. This includes implementing its conflict of interest policies that are appropriate for the scale, complexity and nature of its business. These policies identifies the circumstances that give rise or may give rise to a conflict of interest and includes the procedures to be followed and measures to be adopted in order to manage conflicts of interest. A conflict of interest register is maintained and monitored by the Depositary.

The Depositary does also act as Administration Agent and/or Registrar and Transfer agent pursuant to the terms of the administration agreements between Brown Brothers Harriman (Luxembourg) S.C.A. and the Company. The Depositary has implemented appropriate segregation of activities between the Depositary and the administration/registrar and transfer agency services, including escalation processes and governance. In addition, the depositary function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

The Depositary may delegate to third parties the safe-keeping of the Company's assets to correspondents (the "Correspondents") subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. In relation to the Correspondents, the Depositary has a process in place designed to select the highest quality third-party provider(s) in each market. The Depositary shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary shall also periodically assess whether Correspondents fulfil applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged. The list of Correspondents relevant to the Company is available on

<http://www.bbh.com/luxglobalcustodynetworklist>. This list may be updated from time to time and is available from the Depositary upon written request.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the Correspondent. Where a Correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depositary will notify the Directors and/or the board of the Management Company of the relevant UCITS of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary policies and procedures.

Updated information on the Depositary custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

Administration Agent

The Management Company, upon recommendation of the Company, has delegated the administration of the Company to Brown Brothers Harriman (Luxembourg) S.C.A. and has authorised the latter in turn, upon prior approval of the Company and Management Company, to delegate tasks wholly or partly to one or more third parties. Brown Brothers Harriman (Luxembourg) S.C.A. has its registered office at 80, Route D'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Register of Commerce and Companies under number B29923. The Administration Agent is authorised to conduct its activities in Luxembourg by the CSSF.

As the Administration Agent, Brown Brothers Harriman (Luxembourg) S.C.A. will assume all administrative duties that arise in connection with the administration of the Company under the 2010 Law.

The agreement between the Management Company, the Administration Agent and the Company, effective as of 1 December 2017, may be terminated by a written prior notice given ninety days in advance by either party to the other.

Registrar, Transfer Agent and Paying Agent

Brown Brothers Harriman (Luxembourg) S.C.A. has also been appointed as Registrar and Transfer Agent of the Company pursuant to an agreement effective as of 1 December 2017 with the Management Company and the Company, which may be terminated by a written prior notice given three months in advance by either party to the other.

The Company has also appointed Brown Brothers Harriman (Luxembourg) S.C.A., as paying agent of the Company in Luxembourg.

Domiciliary Agent

Lemanik Asset Management S.A. has been appointed by the Company as Domiciliary Agent.

In consideration for the domiciliary agent services provided to the Company, the Management Company is entitled to receive out of the net assets of the Company a yearly fee of EUR 5,000, to which will be added a fee of EUR 1,000 per year per Sub-fund.

Subscription and redemption fees

The Company may levy subscription and redemption fees. For details of the subscription and / or redemption fees applicable to a Sub-fund, please refer to Appendix III.

Formation and launching expenses of the Company and of new Sub-fund

The costs and expenses of establishing the Company will be borne by, and payable out of the assets of the Sub-funds existing at launch of the Company and may be amortized over a period not exceeding five years.

The expenses incurred by the Company in relation to the launch of new Sub-funds will be borne by, and payable out of the assets of, those Sub-funds and may be amortized over a period not exceeding five years.

Other Charges and Expenses

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal, tax and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs connected with the technical establishment of methods for measuring and analysing the performance and the risk of the Sub-funds; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation for investor relations purposes, costs incurred in holding the general meetings as well as costs incurred in board meetings e.g. attendance fees (where applicable) for the Directors and reimbursement to the Directors and participants of their reasonable travelling expenses, hotel and other disbursements, including reasonable out-of-pocket expenses inherent in attending meetings of Directors or general meetings of Shareholders of the Company; expenses (including insurance costs) incurred by the Directors in the performance of their duties.

The Company may indemnify any Director, authorised officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as Director, authorised officer, employee or agent of the Company, except in cases where they are ultimately sentenced for gross negligence. In the case of an out of court settlement, such indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by its counsel that the person to be indemnified did not commit such a breach of duty. The right to such indemnification does not exclude other rights to which the director, authorised officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a Director, authorised officer, employee or agent may now or later be entitled and shall be maintained for any person who has ceased their activity as Director, authorised officer, employee or agent.

Soft commission agreements

The Investment Manager may enter into soft commission arrangements with brokers under which certain business services are obtained for third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Investment Manager to broker's dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such brokers dealers.

The respective Investment Manager shall comply with the following conditions when entering into soft commission arrangements: (i) the Investment Manager will act at all times in the best interest of the Company; (ii) the services provided will be in direct relationship to the activities of the Investment Manager; (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; and (iv) the Investment Manager will provide reports to the Directors with respect to soft commission arrangements including the nature of the services it receives.

Rebates

The Investment Manager and/or the Management Company shall, to the extent permitted by applicable laws and regulations, be entitled to rebates with respect to brokerage fees and retrocession paid on behalf of the Sub-fund concerned. Such rebates may be credited to the Company but may also be retained by the Investment Manager and/or Distributors and are not required to be credited to the Company. Any amounts so retained by the Investment Manager shall be disclosed in the financial statements. The selection of investments for which rebates are paid shall be made in the best interests of the Company and with reference to the principle of best execution.

Authorisation of and Indemnification for Instructions

By giving any instructions by facsimile, or any other communication medium acceptable to the Registrar and Transfer Agent, Shareholders irrevocably authorise the Management Company and the Registrar and Transfer Agent to act upon such instructions and shall fully indemnify the Company, Management Company and Registrar and Transfer Agent on demand against any liability of any nature whatsoever arising to any of them as a result of them acting on such instructions. The Management Company and the Registrar and Transfer

Agent may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.

3.2 COMPANY INFORMATION

The Company is an umbrella structured open-ended investment company with limited liability, organised as a *société anonyme* and qualifies as a *société d'investissement à capital variable* ("SICAV") under part I of the 2010 Law. The Company was incorporated on 8 July 2015 and its Articles were published in the Mémorial on 8 August 2015.

The Company is registered under Number B 198 506 with the *Registre de Commerce et des Sociétés* of Luxembourg, where the Articles of the Company have been filed and are available for inspection. The Company exists for an indefinite period.

The minimum capital of the Company required by Luxembourg law is EUR 1,250,000. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its net asset value. Should the capital of the Company fall below two thirds of the minimum capital, an extraordinary general meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by a majority votes cast. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an extraordinary general meeting of Shareholders to decide upon the liquidation of the Company. At that Meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the votes cast.

The following material contracts have been entered into:

- Investment Management Agreement with the respective Investment Manager as defined in Appendix III for each Sub-fund;
- Depositary Agreement with Brown Brother Harriman (Luxembourg) S.C.A.;
- Administration, Registrar and Transfer Agent Agreement with Brown Brother Harriman (Luxembourg) S.C.A.;
- Management Company Agreement with Lemanik Asset Management S.A.

The material contracts listed above may be amended from time to time by agreement between the parties thereto.

Documents of the Company

Copies of the Articles, Prospectus, KID(s) and latest annual and semi-annual reports may be obtained free of charge and upon request, from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours, at the registered office of the Company.

Queries and Complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company.

3.3 DIVIDENDS

Dividend Policy

The distribution policy of each Sub-fund is laid down in Appendix III. In addition, the Directors may declare interim dividends in respect of Distribution Shares.

Accumulation Shares

With respect to Accumulation Shares, the investment income attributable to the relevant Shares will not be paid to the investors but will be retained in the Share Class, thus increasing the Net Asset Value of the Shares of the relevant Class.

Distribution Shares

In the case of a Distribution Share, dividends will be declared by the general meeting of Shareholders upon proposal by the Directors or directly by the Directors in case of interim dividends, in accordance with the distribution frequency as set out in Appendix III.

Dividends will be declared and paid in the designated currency of the relevant Class.

No distribution shall be made if as a result thereof the capital of the Company becomes less than the minimum required by law (i.e. EUR 1,250,000).

Source of Dividends

Save where disclosed in the Appendix III, dividends shall be paid from net income (i.e., income less expenses) and realised and unrealised gains net of realised and unrealized losses.

For Distribution Shares, the Board of Directors intends to distribute substantially all income (which may include both realised and unrealised capital gains) earned by the Share Classes over the Distribution Period prior to the deduction of any fees and expenses charged to the Share Classes (i.e. gross income). While this may increase the amount of income available for distribution to Shareholders, in effect, the fees and expenses will be deducted from capital. It should be noted, however, in maintaining a stable distribution, that there is a possibility that the total payments of dividend over a fiscal year could exceed the actual gross income received, resulting in a further distribution directly out of capital.

Payment of Dividends

Save where otherwise disclosed in Appendix III, dividends will be paid in cash by wire or electronic transfer to the designated account, or in the case of joint holders, to the designated account of that Shareholder who appears first on the register.

Declared dividends not claimed within 5 years will lapse and revert to the relevant Sub-fund or Class.

3.4 TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential Investor. Prospective Investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on its net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax of 0.01% *per annum* is applicable to:

- (i) Any Sub-fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both.
- (ii) Any Sub-fund or Share Class provided that their shares are only held by one or more Institutional Investor(s).

A subscription tax exemption applies to:

- The portion of any Sub-fund's assets (prorata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- Any Sub-fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Classes of Shares are in issue in the relevant Sub-fund meeting (ii) to (iv) above, only those Classes of Shares meeting (i) above will benefit from this exemption;
- Any Sub-fund, whose main objective is the investment in microfinance institutions; and
- Any Sub-fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several

Classes of Shares are in issue in the relevant Sub-fund meeting (ii) above, only those Classes of Shares meeting (i) above will benefit from this exemption.

To the extent that the Company would only be held by pension funds and assimilated vehicles, the Company as a whole would benefit from the subscription tax exemption.

Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

Taxation of the Shareholders

Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals Investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal more than 10% of the share capital of the company.

Distributions received by the Company will be subject to Luxembourg income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving a maximum effective marginal tax rate of 42% in 2024.

Luxembourg resident corporate

Luxembourg resident corporate Investors will be subject to corporate taxation at the rate of 24.94% (in 2024 for entities having the registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distributions received from the Company.

Luxembourg corporate resident Investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the 2010 Law related to undertakings for collective investments, (ii) specialized investment funds subject to the law of 13 February 2007 related to specialised investment funds, (iii) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) family wealth management companies subject to the law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Investors except if the holder of the Shares is (i) an undertaking for collective investment subject to the 2010 Law related to undertakings for collective investments, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 on venture capital vehicles, (iv) a specialized investment fund subject to the law of 13 February 2007 related to specialised investment funds, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

Non Luxembourg residents

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

Automatic Exchange of Information

OECD has developed a common reporting standard ("**CRS**") to achieve a comprehensive

and multilateral automatic exchange of information ("**AEOI**") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Company in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an Investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non Member States; it requires agreements on a country by country basis.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirement under the CRS Law.

Investors should consult their professional advisors on the possible tax and other

consequences with respect to the implementation of the CRS.

3.5 MEETINGS AND REPORTS

Meetings

The annual general meeting of Shareholders of the Company shall be held annually on the first Wednesday of June at 11:00 a.m. CET, Luxembourg time at the registered office of the Company or any address specified in the notice of the meeting. If such a day is not a Business Day in Luxembourg, the annual general meeting shall be held on the next following Business Day. The annual general meeting shall be held in accordance with Luxembourg law. The legal requirements as to notice, quorum and voting at all general and Company or Share Class meetings are included in the Articles. Meetings of Shareholders of any given Sub-fund or Share Class shall decide upon matters relating to that Sub-fund or Share Class only.

Reports

The financial year of the Company ends on 31 December each year. The audited annual report of the Company will be made available upon request to Shareholders ahead of the annual general meeting of Shareholders. This annual report encloses the report of the Directors, a statement of the net assets of the Sub-funds and statistical information, a statement of operations and of changes in net assets of the Sub-funds, notes to the financial statements and the Auditor's report. The unaudited half-yearly report will also be prepared as of 30 June. Such reports form an integral part of this Prospectus. Annual reports are published within four months of the end of the financial year. Semi-annual reports are published within two months of the end of the six-month period. Copies of the annual, semi-annual and financial reports may be obtained free of charge from the registered office of the Company.

3.6 DETAILS OF SHARES

Shareholder rights

- (A) The Shares issued by the Company are freely transferable and entitled to participate equally in the profits, and, in case of Distribution Shares, dividends of the Share Classes to which they relate, and in the net assets of such Share Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

(B) Voting:

At general meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Sub-fund or Share Class will be entitled at any separate meeting of the Shareholders of that Sub-fund or Share Class to one vote for each whole Share of that Sub-fund or Share Class held.

In the case of a joint holding, only the first named Shareholder may vote.

(C) Compulsory redemption:

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company including the failure to comply with FATCA and a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

If it shall come to the attention of the Directors at any time that Shares are beneficially owned by any person prohibited from holding shares pursuant to section "US Investors" above and/or by any persons due to which the Company fails to comply with FATCA (please refer to section entitled "FATCA"), the Company will have the right to compulsorily redeem such Shares.

Rights on a winding-up

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary general meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Sub-fund shall be distributed by the liquidators to the Shareholders of the relevant Sub-fund in proportion to the value of their holding of Shares.

The Directors may decide to liquidate one Sub-fund or Share Class if the net assets of such Sub-fund/Share Class fall below an amount determined by the Directors to be the minimum for such Sub-fund/Share Class to be operated in an economically efficient manner or if a change in the economic or political situation relating to the Sub-fund or Share Class concerned would justify such liquidation or if the interests of the Shareholders would justify it. The decision of the liquidation will be published or notified to the Shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Directors otherwise decide in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-fund or Class concerned may continue to request redemption or conversion of their Shares (free of charge). Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-fund, Class concerned or the Company will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Directors do not have the authority to do so or where the Directors determine that the decision should be put for Shareholders' approval, the decision to liquidate a Sub-fund or Class may be taken at a meeting of Shareholders of the Sub-fund or Class to be liquidated instead of being taken by the Directors. At such Class/Sub-fund meeting, no quorum shall be required and the decision to liquidate must be approved by Shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the Shareholders and/or published by the Company.

Merger

Under the same circumstances as described above, the Directors may decide to i) merge any Sub-fund with one or more other Sub-funds, ii) merge any Sub-fund into another undertaking for collective investment governed by Part I of the 2010 Law, iii) merge any Sub-fund with another undertaking for collective investment offering equivalent protection to that of an undertaking for collective investment subject to Part I of the 2010 Law, or iv) reorganise the Shares of a Sub-fund into two or more Share Classes or combine two or more Share Classes into a single Share Class providing in each case it is in the interests of Shareholders of the relevant Sub-funds. Publication or notification of the decision will be made as described above including details of the merger and will be made, where required, at least one calendar month prior to the merger taking effect during which time Shareholders of the Sub-fund or Share Classes to be merged may request redemption of their Shares free of charge.

The decision to merge a Sub-fund may also be made at a meeting of Shareholders of the particular Sub-fund concerned.

Under the same circumstances as described above, the Directors may also decide upon the reorganisation of any Sub-fund by means of a division into two or more separate Sub-funds. Such decision will be published or notified in the same manner as described above and, in addition, the publication or notification will contain information in relation to the two or more separate Sub-funds resulting from the reorganisation. Such publication or notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch of their Shares before the reorganisation becomes effective.

Any liquidation proceeds remaining unclaimed after the closure of the liquidation of a Sub-fund will be deposited in escrow at the *Caisse de Consignation*. Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

3.7 LUXEMBOURG REGISTER OF BENEFICIAL OWNERS

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the “**Law of 13 January 2019**”) entered into force on 1 March 2019. The Law of 13 January 2019 requires all companies registered on the Luxembourg company register, including the Company, to obtain and hold information on their beneficial owners (“**Beneficial Owners**”) at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of beneficial owners, which is established under the authority of the Luxembourg Ministry of Justice.

The Law of 13 January 2019 broadly defines a Beneficial Owner, in the case of corporate entities such as the Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the Company, including through bearer shareholders, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the Company held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the Company held by

a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by a Shareholder with regard to the Company, this Shareholder is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfil its obligation under the Law of 13 January 2019. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the Law of 13 January 2019 will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Company for clarification.

For both purposes the Company's registered office address may be used.

APPENDIX I – INVESTMENT RESTRICTIONS

The Directors have adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Directors if and when they shall deem it to be in the best interests of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-fund. The restrictions in section 1(D) below are applicable to the Company as a whole.

1. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

(A) The Company will invest in:

- (i) transferable securities and money market instruments admitted to an official listing on a stock exchange in an Eligible State; and/or
- (ii) transferable securities and money market instruments dealt in on another Regulated Market; and/or
- (iii) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is achieved within one year of the issue; and/or
- (iv) units or shares of UCITS and/or of other UCI whether situated in an EU member state or not, provided that:
 - such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,

- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units or shares of other UCITS or other UCIs; and/or
- (v) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law; and/or
- (vi) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of securities covered by this section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-funds may invest according to their investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

- (vii) money market instruments other than those dealt in on a Regulated Market, if the issuer or the issuer of such instruments are themselves regulated for the

purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU Law, or
- issued by other bodies belonging to categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Sub-fund in transferable securities and money market instruments other than those referred to under (i) to (vii) above.

- (B) Each Sub-fund may hold ancillary liquid assets. Liquid assets used to back-up financial derivative exposure are not considered as ancillary liquid assets.
- (C) (i) Each Sub-fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding

derivative instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities). Each Sub-fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Sub-fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(v) above or 5% of its net assets in other cases.

- (ii) Furthermore, where any Sub-fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-fund.

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

Notwithstanding the individual limits laid down in paragraph (C)(i), a Sub-fund may not combine:

- investments in transferable securities or money market instruments issued by,
 - deposits made with, and/or
 - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
- (iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.
 - (iv) The limit of 10% laid down in paragraph (C)(i) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of

such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Sub-fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Sub-fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or financial derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) may not, in any event, exceed a total of 35% of each Sub-fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Sub-fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Sub-fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, provided
 - the composition of the index is sufficiently diversified,

- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

- (vii) Where any Sub-fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by an OECD member state or a G20 member state, or by public international bodies of which one or more EU member states are members, the Company may invest 100% of the Net Asset Value of any Sub-fund in such securities provided that such Sub-fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-fund.**

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

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

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

- (i) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
 - (ii) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
 - (iii) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members;
or
 - (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the 2010 Law.
- (E) If a Sub-fund is limited to investing only 10% of its net assets in units or shares of UCITS or other UCIs this will be specifically provided for in Appendix III for a Sub-fund. The following applies generally to investment in units or shares of UCITS or of the UCIs.
- a) The Company may acquire units of the UCITS and/or other UCIs referred to in paragraph 1. (A) (iv), provided that no more than 10% of a Sub-fund's net assets be invested in units of a single UCITS or other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-a-vis third parties is ensured.

- b) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-fund.

In addition, the following limits shall apply:

- (i) When a Sub-fund invests in the units or shares of other UCITS and/or other UCIs linked to the Company by common management or control, or by a

direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the Investment Manager, no subscription or redemption fees may be charged to the Company on account of its investment in the units or shares of such other UCITS and/or UCIs.

In respect of a Sub-fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, there shall be no Management Fee charged to that portion of the assets of the relevant Sub-fund. The Company will indicate in its annual report the total Management Fees charged both to the relevant Sub-fund and to the UCITS and other UCIs in which such Sub-fund has invested during the relevant period.

- (ii) A Sub-fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple Sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, each sub-fund regarded as a separate issuer.
- (iii) The underlying investments held by the UCITS or other UCIs in which the Sub-funds invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.

2. INVESTMENT IN OTHER ASSETS

- (A) The Company will neither make direct investments in precious metals, commodities or certificates representing these. In addition, the Company will not enter into financial derivative instruments on precious metals or commodities. This does not prevent the Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to precious metals or commodities.
- (B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- (C) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(iv), (vi) and (vii).
- (D) The Company may not borrow for the account of any Sub-fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Sub-fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (F) The Company will not underwrite or sub-underwrite securities of other issuers.
- (G) The Company will on a fund by fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

3. FINANCIAL DERIVATIVE INSTRUMENTS

As specified in section 1(A)(vi) above, the Company may in respect of each Sub-fund invest in financial derivative instruments.

The Company shall ensure that the global exposure of each Sub-fund relating to financial derivative instruments does not exceed the total net assets of that Sub-fund.

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

Each Sub-fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(vi) and section 1(C)(v), in financial derivative instruments provided that the

exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(i) to (vii). When a Sub-fund invests in index-based financial derivative instruments compliant with the provisions of sections 1(C)(vi), these investments do not have to be combined with the limits laid down in section 1(C). When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these instrument restrictions. The Sub-funds may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the 2010 Law. Under no circumstances shall the use of these instruments and techniques cause a Sub-fund to diverge from its investment policy or objective. The risks against which the Sub-funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

4. USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

The Company may, on behalf of each Sub-fund and subject to the conditions and within the limits laid down in the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, in particular the CSSF Circular 14/592, implementing the ESMA Guidelines ESMA/2014/937 on ETFs and other UCITS issues, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions and financial futures transactions. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the applicable regulations.

In no case may the use of techniques and instruments and derivatives for efficient portfolio management lead to the Company's deviation from the investment goals and investment limitations presented in this Prospectus or lead to exposing the Company to additional risk that goes beyond the risk described in this Prospectus, or especially, lead to impairing its ability to execute redemption requests.

Risks and Costs:

The opportunity to use the aforementioned business strategies may be limited by statutory provisions or by market conditions. Likewise, no assurance can be given that the investment and hedging purpose pursued with these strategies will be achieved. Option, future and swap transactions as well as other permissible derivatives are frequently associated with transaction costs and greater investment risks for the assets of the Company to which the Company is not exposed when these types of transactions are not used. The specific risks are described in greater detail under "Risk Information".

The Company bears all transaction costs and expenses relative to derivative transactions and the use of techniques and instruments, including the costs for depositories and clearing houses. It must further be noted that the counterparty of a transaction may retain a minor portion of the earnings achieved as fees. The costs incurred in connection with the preparation and execution of such transactions including those payable to third parties (e.g. transaction costs to be paid to the Depository") are borne by the Company.

Total Return Swaps, Securities Lending and Repurchase Agreements:

As of the date of this Prospectus, with the aim of reducing risks or costs, or of obtaining a capital gain or increased revenues for the Company, the Company is authorised to invest in total return swaps as referred to in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFTR"), but not in any other securities financing transactions ("SFTs") referred to by the SFTR. Should the Board of Directors decide to provide for such possibility, the Prospectus, including its Appendix, will be updated prior to the entry into force of such decision in order for the Company to comply with the disclosure requirements of this Regulation.

OTC total return swaps

In order to achieve the investment objective of the Sub-funds, the Company may, on behalf of the Sub-funds, enter into total return swaps entered into by private agreement (OTC) with top-rated financial institutions specialising in this type of transaction and subject to prudential supervision.

Counterparties for total return swaps, subject to any other criteria, must at least:

- (a) be considered as first class financial institutions;

- (b) be established in OECD countries; and
- (c) be rated BBB+ or above by Standard & Poor's or its equivalent, or have a rating deemed equivalent by the Investment Manager or by the Management Company in accordance with the rules of the CSSF on the selection of counterparties.

While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process.

At no time will a counterparty in a transaction have discretion over the composition or the management of a Sub-fund's investment portfolio or over the underlying of the total return swap.

Each Sub-fund may incur costs and fees in connection with total return swaps upon entering into total return swaps and/or any increase or decrease of their notional amount. These costs and fees shall not include hidden revenue. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report.

Total return swaps and other derivatives that have the same characteristics do not give the Company any right of action against the counterparty to the total return swaps or the derivative financial instrument, and any bankruptcy of the counterparty will render it impossible to collect payments.

A Sub-fund is therefore exposed to the risk of bankruptcy, settlement default or any other type of default by the counterparty of the OTC total return swaps. In accordance with Appendix I – Investment Restrictions of the Prospectus, the counterparty risk cannot exceed 10% of the considered Sub-fund's total assets, by counterparty.

When a Sub-fund may invest in total return swaps or other financial derivative instruments with similar characteristics, the underlying assets and investment strategies to which exposure will be gained are specified above.

The maximum proportion and the expected proportion of assets that may be exposed to these instruments shall be calculated as the sum of notionals of the derivatives used and are specified in each Sub-fund details in Appendix III of the Prospectus.

The use of total return swaps for all relevant Sub-funds will be continuous while a Sub-fund may expect upward and downward variations as described hereafter. The proportion of a Sub-fund's net assets subject to total return swaps typically varies between 0% and 10%. Such variations may be dependent on factors such as, but not limited to, Sub-fund's total net assets and seasonal trends in the underlying market. During periods of little or no demand from the market, the proportion of the Sub-fund's net assets subject to total return swaps may be 0% while there may also be periods of higher demand, in which case this proportion may approach 10%.

Unless otherwise provided in a Sub-fund details in Appendix III of the Prospectus, any Sub-fund utilising total return swaps will use these transactions for the purpose of getting exposure to the ChiNext market of the SZE and the Science and Technology Innovation Board of the SSE and generating additional income in order to better achieve the investment objective of a Sub-fund.

Assets subject to total return swaps are kept in custody by the Depositary (or its sub-delegate).

The risk of counterparty default and the effect on investors' returns are more fully described under Appendix II – Risks of Investment of the Prospectus.

Any counterparty to an OTC derivative instrument entered into by any Sub-fund will be approved and monitored by the Management Company or the Investment Manager.

Any counterparty for total return swaps transactions (i) is selected pursuant to the criteria detailed above, (ii) is not a related party to the Fund nor to the Management Company and (iii) receives a fee for such transaction up to 0.40 % of the holding SWAP position. Any incremental income generated from total return swaps transactions will be accrued to the relevant Sub-fund.

OTC Derivatives:

The Company may enter into derivative transactions that are traded at an exchange or are a part of another organised market, as well as OTC transactions. A method allowing a precise and independent valuation of the value of the OTC derivatives is employed.

Conflicts of Interest:

The Company is not barred from entering into transactions with the Management Company, the Depositary, and the sales office or a possible Investment Manager or with any companies affiliated with such provided that these transactions take place under normal market conditions and on conventional terms and conditions. To the extent the Company uses derivatives and other techniques and instruments (including total return swaps), units of the same group may act as counterparty for financial futures transactions entered into by the Company. Consequently, conflicts of interest may arise between the various activities of these companies and their responsibilities and duties with respect to the Company.

5. RISK MANAGEMENT PROCESS

The Management Company uses a risk management process for the Company in accordance with the Law of 2010 and other applicable regulations, in particular Circulars CSSF 11/512 and 14/592. The risk management process enables the Management Company to assess and measure the exposure of the Company to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Company.

Upon request of an Investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the VaR levels set for the Sub-funds using such risk measure.

The risk management framework is available upon request from the Company's registered office.

If the Company uses techniques and instruments according to Article 42 (2) of the law of 17 December 2010 on undertakings for collective investment in order to increase its leverage or market risk, the management company has to take the relevant transactions into account when measuring the global exposure.

According to the applicable ESMA directives and the CSSF Circular 11/512 as of 30 May 2011 Leverage is defined as the total of the notional amounts of the derivatives used by the respective Sub-fund. In this respect, leverage may result in increased leverage amounts, as some derivatives that are used for hedging purposes may be included in this calculation. Thus, this information does not reflect the precise actual leverage risk that the investor is

exposed to.

The expected leverage is expressed in Appendix III for each Sub-fund. For Sub-funds which have not yet been launched, the expected leverage value will be calculated on the basis of a model portfolio. Under certain circumstances, greater leverage amounts may be possible.

For detailed information regarding the global exposure of each Sub-fund please refer to the Sub-fund details in Appendix III.

6. MISCELLANEOUS

- (A) The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(i), (ii) and (iii) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid.
- (B) The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- (C) The Management Company, the Investment Managers and the Global Distributor, the Depository and any authorised agents or their associates may have dealings in the assets of the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
 - i) a certified valuation of such transaction is provided by a person approved by the Directors as independent and competent;
 - ii) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or

where neither i) or ii) is practical;
 - iii) where the Directors are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

APPENDIX II – RISKS OF INVESTMENT

The Management Company uses a risk management process for the Company in accordance with the Law of 2010 and other applicable regulations, in particular Circulars CSSF 11/512 and 14/592.

The risk management process enables the Management Company to assess and measure the exposure of the Company to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Company.

The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in transferable securities, money market instruments, structured financial instruments and other financial derivative instruments.

There are several risk factors that could hurt the relevant Sub-fund's performance and cause you to lose money. The Net Asset Value per Share can go down as well as up and Shareholders may also lose their entire investment.

Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. The value of investments and the income generated by them, if any, may go down as well as up and Shareholders may not get back the amount initially invested.

Where the Reference Currency of the relevant Sub-fund varies from the Investor's home currency, or where the Reference Currency of the relevant Sub-fund varies from the currencies of the markets in which the Sub-fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

In addition thereto, the following additional risk factors should be taken into consideration:

Investment Objective Risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macroeconomic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for a Sub-fund.

Investors should also note that the value of a Sub-fund's investment portfolio may fall as well as rise due to any of the key risk factors and therefore investors' investment in the relevant Sub-fund may suffer losses. Investors should accept that there is no guarantee of the repayment of principal. Investors should note that the Sub-funds are not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in the Sub-funds should be prepared and able to sustain losses up to the total capital invested.

1. GENERAL RISK

Regulatory Risk

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-funds may be subject to more restrictive regulatory regimes. In such cases these Sub-funds will abide by these more restrictive requirements. This may prevent these Sub-funds from making the fullest possible use of the investment limits.

Risk of Suspension of Share dealings

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 2.4, "Suspensions or Deferrals").

Class Hedging Risk

The Company may engage in currency hedging transactions with regards to a certain Share Class (the "**Hedged Share Class**"). Hedged Share Classes are designed (if and when disclosed in relation to a particular Class) (i) to reduce exchange rate fluctuations between the Dealing Currency of the Hedged Share Class and the Reference Currency or (ii) to reduce exchange rate fluctuations between the Dealing Currency of the Hedged Share Class and other material currencies within the Sub-fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Reference Currency or other material currencies within the Company (such as the Dealing Currency/ies is/are declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved.

In the case of a net flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Share Class until the following or a subsequent Business Day following the Dealing Day on which the instruction was accepted.

Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Share Class expressed in the Dealing Currency/ies, if the Hedged Share Class currency falls against the Dealing Currency/ies. Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class.

Any financial instruments used to implement such hedging strategies with respect to one or more Share Classes of a Sub-fund shall be assets and/or liabilities of such Sub-fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Share Classes of the same Sub-fund, costs which are principally attributed to a specific Share Class may be ultimately charged to the Sub-fund as a whole.

Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

Equity Market Risk

A Sub-fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some

investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Sub-fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Sub-fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Sub-fund's Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. A Sub-fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Sub-fund's Investment Manager will consider whether the security continues to be an appropriate investment for the Sub-fund. Some of the Sub-funds will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. A Sub-fund's investment in illiquid securities may reduce the returns of the Sub-fund because it

may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Risks of Performance Fees

A Performance Fee may be payable to the Investment Manager for certain Share Classes in certain Sub-funds. Such Performance Fees may encourage the Investment Manager to make riskier investments than would be the case in the absence of a performance-based incentive system. In addition, Performance Fees may be paid on unrealised gains which may never be realised by the Sub-fund.

Financial Derivative Instrument Risk

For Sub-funds that use financial derivative instruments to meet their specific investment objectives, there is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the Sub-fund and its Shareholders.

Warrants Risk

Warrants are considered as financial derivative instruments. When the Company invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

Credit Default Swaps Risk

A credit default swap allows the transfer of default risk. This allows a Sub-fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Sub-fund does not hold the underlying reference obligation, there may be a market risk as the Sub-fund may need time to obtain the reference obligation and deliver it to the counterparty.

Furthermore, if the counterparty becomes insolvent, the Sub-fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Futures, Options and Forward Transactions Risk

The Sub-funds may use options, futures and forward contracts on currencies securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Sub-fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Sub-fund is fixed, the Sub-fund may sustain a loss well in excess of that amount. The Sub-fund will also be exposed to the risk of the purchaser exercising the option and the Sub-fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Sub-fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Sub-fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

OTC Derivative Transactions Risk

Securities traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than securities principally traded on securities exchanges. Such securities may be less liquid than more widely traded securities. In addition, the prices of such securities may include an undisclosed dealer mark-up which a Sub-fund may pay as part of the purchase price.

Issuer Risk

As the result of a default by an issuer or counterparty, losses may be incurred by the Company. Issuer risk describes the effect of specific changes relative to the respective issuer affecting the price of a security in addition to the general trend of the capital markets. Even after securities have been carefully selected, it cannot be precluded that losses will be incurred due to the financial collapse of issuers.

Counterparty Risk

The Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Company will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

A Sub-fund may invest into instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which the Sub-fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Sub-fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

Upon entering into OTC transactions ("**Over-The-Counter**"), the Sub-fund may be exposed to risks relative to the creditworthiness of its counterparties and their ability to meet the conditions of these agreements. Thus, for example, the Sub-fund may enter into futures, options and swap transactions or use other derivative techniques such as Total Return Swaps in which the Sub-fund is respectively subject to the risk that the counterparty does not meet its obligations arising from the respective contract.

In the event of bankruptcy or insolvency of a counterparty, the Sub-fund may suffer significant losses due to delays in liquidating its positions; this includes the loss in value of the investment while the Sub-fund enforces its rights. Likewise, there is the possibility that the use of agreed techniques will be terminated, for example, as the result of bankruptcy, illegality or changes in the law compared with that in effect at the time the agreements were made.

Among other things, Sub-funds may enter into transactions on OTC and interdealer markets. In contrast to participants in regulated markets, the participants in these markets are typically not subject to any financial supervision. A Sub-fund investing in swaps, Total Return Swaps, derivatives, synthetic instruments or other OTC transactions on these

markets bears the credit risk of the counterparty and is also subject to the counterparty's default risk. These risks can be significantly different from those of transactions in regulated markets, because the latter are secured by guarantees, daily mark-to-market valuations, daily settlement and corresponding segregation, as well as minimum capital requirements. Transactions entered into directly between two counterparties generally do not benefit from this protection.

In addition, the Sub-fund is subject to the risk that the counterparty may not execute the transaction as agreed because of a disagreement concerning the contractual conditions (regardless of whether in good faith or not) or because of a credit or liquidity problem. This may lead to losses in the respective Sub-fund. This counterparty risk increases for agreements with longer maturities, as events may hamper agreement, or when the Sub-fund has directed its transactions to a single counterparty or a small group of counterparties.

If the other side defaults, the Sub-fund may be exposed to unfavourable market movements while taking measures to replace transactions. The Sub-fund may enter into transactions with any counterparty. It may also enter into an unlimited number of transactions with a single counterparty. The Sub-fund's ability to enter into transactions with any counterparty, the absence of an informative and independent evaluation of the financial characteristics of the counterparty, and the absence of a regulated market for entering into agreements, may increase the loss potential of the Sub-fund.

The Sub-funds will only enter into OTC derivatives transactions with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivative transactions entered into with first class institutions should not exceed 10% of the relevant Sub-fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

Additional risks associated with total return swaps

Synthetic replication by means of fully funded (or unfunded) total return swaps, insofar as it does not involve the physical holding of securities, may provide a means of obtaining exposure to strategies that are difficult to put in place or that would at least be very expensive and difficult to access with a physical replication. Synthetic replication consequently has lower costs than physical replication. However, synthetic replication implies counterparty risk. If a Sub-fund carries out transactions in OTC derivative products, there is a risk, beyond the general counterparty risk, that the counterparty could default or

not be able to meet its obligations in full. In cases where the Company and one of its Sub-fund enters into total return swaps on a net basis, the two payment flows are offset, and the Company or Sub-fund will receive or pay, as the case may be, only the net amount of the two payments. Total return swaps concluded on a net basis do not involve the physical delivery of the investments, other underlying assets or capital. Consequently, the risk of loss in relation to the total return swaps is limited to the net amount of the difference between the total rate of return on a reference investment, index or basket of investments and the fixed or variable payments. If the counterparty to a total return swap defaults, in normal circumstances the risk of loss of the Company or of the Sub-fund concerned consists of the net amount of the total payments that the Company or compartment is contractually entitled to receive by virtue of the contract.

Custody Risk

Investors may enjoy a degree of protection when investing money with depositaries in their home territory. This level of protection may be higher than that enjoyed by the Company.

A Sub-fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Sub-fund that are traded in such markets and which have been entrusted to such sub-depositaries may be exposed to risk in circumstances where the Depositary will have no liability. A Sub-fund's cash account will usually be maintained on the Depositary's records, but the balances may be held by a sub-depositary and therefore exposed to the risk of default of the Depositary and/or the sub-depositary.

Country Risk – Emerging and Less Developed Markets

In emerging and less developed markets, in which some of the Sub-funds will invest, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio.

In particular, a Sub-fund investing in emerging markets may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

High market volatility and potential settlement difficulties in the equity markets of emerging countries may result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of a Sub-fund.

Securities exchanges in emerging countries typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on a Sub-fund.

Investments in emerging and less developed markets should be made only by sophisticated investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include, but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

Mortgage-Backed Securities and Asset-Backed Securities Risk

Some Sub-funds may invest in mortgage-backed securities and asset-backed securities. Mortgage-backed securities differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. The Company may receive unscheduled prepayments of principal before the security's maturity date due to voluntary prepayments, refinancing or foreclosure on the underlying mortgage loans. To the Company this means a loss of anticipated interest, and a portion of its principal investment represented by any premium the Company may have paid. Mortgage prepayments generally increase when interest rates fall.

Mortgage-backed securities also are subject to extension risk. An unexpected rise in interest rates could reduce the rate of prepayments on mortgage-backed securities and extend their

life. This could cause the price of the mortgage-backed securities to be more sensitive to interest rate changes. Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect investors in the event of default. Like mortgage-backed securities, asset-backed securities are subject to prepayment and extension risks.

Non-Regulated Markets Risk

Some Sub-funds may invest in securities of issuers in countries whose markets do not qualify as regulated markets due to their economic, legal or regulatory structure, and therefore these Sub-funds may not invest more than 10% of their net assets in such securities.

Political and Economic Risks

- Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal / fiscal / regulatory / market reforms. Assets could be compulsorily re-acquired without adequate compensation.
- A country's external debt position could lead to sudden imposition of taxes or exchange controls.
- High interest can mean that businesses have difficulty in obtaining working capital.
- Local management may be inexperienced in operating companies in free market conditions.
- A country may be heavily dependent on its commodity and natural resource exports and is therefore vulnerable to weaknesses in world prices for these products.
- Inflation/Deflation Risk – Inflation is the risk that a Sub-fund's assets or income from a Sub-fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Sub-fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Sub-fund's portfolio.

Accounting Practices Risk

- The accounting, auditing and financial reporting system may not accord with international standards.
- Even when reports have been brought into line with international standards, they may not always contain correct information.
- Obligations on companies to publish financial information may also be limited.

Market and Settlement Risks

- The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets.
- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-fund may make it difficult to assess reliably the market value of assets.
- The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-funds.
- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.
- Limitations may exist with respect to the Sub-funds ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign investors. The Company can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

Currency Risk

A Sub-fund may invest in securities denominated in currencies other than the reference currency of that Sub-fund. Also, a Share Class may be designated in a currency other than the reference currency of relevant Sub-fund. The Net Asset Value of relevant Sub-fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the reference currency and by changes in exchange rate controls.

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

Taxation Risk

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Company invests or may invest in the future (in particular emerging markets) is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

Nomineeship Risk

The legislative framework in some markets is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. Consequently the courts in such markets may consider that any nominee or custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.

Potential Conflicts of Interest

The Directors, the Management Company, the Investment Manager and persons appointed to carry out sales activities, the Depositary, the Transfer Agent, the investment advisor, the Shareholders, as well as all subsidiaries, affiliated companies, representatives or agents of the aforementioned entities and persons ("**Associated Persons**") may

- conduct among themselves any and all kinds of financial and banking transactions or other transactions, such as derivative transactions or enter into the corresponding contracts, including those that are directed at investments in securities or at investments by an Associated Person in a company or undertaking, such investment being a constituent part of the respective Sub-fund's assets, or be involved in such contracts or transactions; and/or
- for their own accounts or for the accounts of third parties, invest in shares, securities or assets of the same type as the components of the respective Sub-fund's assets and trade in them; and/or
- in their own names or in the names of third parties, participate in the purchase or sale of securities or other assets in or from the Company through or jointly with the investment manager, the designated sales agents and persons authorized to carry out the distribution, the Depositary, the investment advisor, or a subsidiary, an affiliated company, representative or agent of such.

Allocation of Trading Opportunities

The Investment Manager is required to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Company, but otherwise has no specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Company, or any restrictions on the nature or timing of investments for the proprietary accounts of the Investment Manager or for other accounts which the Investment Manager or its affiliates may manage (collectively, "Other Accounts"). The Investment Manager is not obligated to devote any specific amount of time to the affairs of the Company, and it will not be required to accord exclusivity or priority to the Company in the event of limited investment opportunities.

When the Investment Manager determines that it would be appropriate for both the Company and any Other Account to participate in an investment opportunity, it will seek to

execute orders for all of the participating accounts on an equitable basis. If the Investment Manager has determined to trade in the same direction in the same security at the same time for the Company and any Other Account, it will be authorised to combine the Company's order with orders for any Other Accounts and if all such orders are not filled at the same price, the Company's order may be filled at an average price, which normally will be the same price at which contemporaneously entered proprietary orders are filled on that day. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Investment Manager will allocate the trades among the different accounts on a basis that it considers equitable. Situations may occur where the Company could be disadvantaged because of the various other activities conducted by the Investment Manager or its affiliates. This allocation of opportunities will always be made under the control of the Board of Directors of the Company and in a manner preserving the interests of the Shareholders.

Notice of Redemptions Required

A Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the Shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is first given to the Administrator until the effective date of redemption.

Risk associated with the Performance Benchmark

A Sub-fund may adopt a performance benchmark as a point of reference against which the performance of a Sub-fund may be compared. There is no guarantee or assurance that a Sub-fund can always outperform the performance benchmark. It is possible that a Sub-fund underperforms the benchmark and a Sub-fund may suffer loss.

Risks associated with Investment in Financial Derivative Instruments ("FDI")

Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by a Sub-fund. Exposure to FDI may lead to a high risk of significant loss by a Sub-fund. In adverse situations, a Sub-fund's use of FDI in efficient portfolio management and hedging may become ineffective and/or cause the Sub-fund to suffer significant loss.

Concentration Risks

A Sub-fund's investments may be concentrated in specific sectors / instruments / geographical location. The value of a Sub-fund may be more volatile than a fund having a more diverse portfolio of investments. The value of a Sub-fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the markets in specific geographical location.

Sustainability risks

Sustainability risks are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of a Sub-fund's investments. Specific sustainability risk can vary for each product and asset class, and include but are not limited to:

Environmental Risk

The risk posed by the exposure to issuers that may potentially be causing or affected by environmental degradation and/or depletion of natural resources. Environmental risks may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, and loss of biodiversity or damages to ecosystems. Environmental risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

- **Physical Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change. Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

- **Transition Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in

exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result to several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risk may negatively affect the value of investments by impairing assets or by increasing liabilities, capital expenditures, operating and financing costs.

Social Risk

The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities. Social risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

Governance Risk

The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflict of interest, reputational damages, increased liabilities or loss of investor confidence.

Risks associated with distribution directly out of and/or effectively out of capital

Payment of dividends directly out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment may result in an immediate reduction of Net Asset Value per Share. This could also erode capital and constrain future growth.

2. CHINA RISKS

Political, Economic and Social Risks

Investments in the PRC will be sensitive to any political, social and diplomatic developments which may take place in or in relation to the PRC. Investors should note that any change in the policies of the PRC may adversely impact on the securities markets in the PRC as well as the performance of the Sub-fund(s) concerned.

PRC Economic Risks

The economy of the PRC differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in the PRC is not well developed when compared with those of developed countries.

The economy in the PRC has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of the PRC economy. All these may have an adverse impact on the performance of the Sub-fund(s) concerned.

Legal and Regulatory Risk in the PRC

The legal system of the PRC is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in the PRC are relatively new and their application is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

a) Renminbi related risks

RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. Where a Sub-fund invests in RMB denominated investments, the value of such investments may be affected favourably or unfavourably depending on the changes in exchange rate between RMB and the reference currency of the relevant Sub-fund. There are currently no repatriation limits that affect the Sub-funds. If such policies change in future, the Sub-fund(s) or the Shareholders' position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-fund concerned or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

b) China QFI Risks

1) Investment through Investment manager or third party QFI

Under the prevailing regulations in China, foreign investors may invest in securities and investments permitted to be held or made by QFI under the relevant QFI Regulations (the "**QFI Eligible Securities**") through institutions that have obtained QFI status in China.

As of the date hereof, owing to the current QFI Regulations and that the Sub-funds themselves are not QFIs, the relevant Sub-funds may invest in QFI Eligible Securities indirectly through equity linked products, including but not limited to equity linked notes and participatory notes issued by institutions that have obtained QFI status (collectively referred to as "**CAAPs**"). The relevant Sub-funds may also invest directly in QFI Eligible Securities via the QFI status of the Investment Manager.

There are rules and restrictions under current QFI Regulations including rules on investment restrictions, which are applicable to the QFI as a whole and not only to the investments made by the relevant Sub-funds. Investments in QFI Eligible Securities made through institutions with QFI status are generally subject to compliance with investment and market access restrictions applicable to each QFI. Such rules and restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-funds' liquidity

and performance.

Investors should be aware that violations of the QFI Regulations on investments arising out of activities of the QFI could result in the revocation of or other regulatory actions, including investment in QFI Eligible Securities or through CAAPs issued by the said QFI made in the benefit of the relevant Sub-funds.

2) Limits on Redemption

Where the relevant Sub-funds are invested in China's securities market by investing through the Investment Manager's QFI status, repatriation of funds from China may be subject to the QFI Regulations in effect from time to time.

Accordingly, the investment regulations in relation to the repatriation may change from time to time. PRC custodian(s) (the "**PRC Custodian(s)**") may handle the capital and/or repatriation profit for the Investment Manager acting as QFI with written application or instructions as well as a tax payment commitment letter issued by the Investment Manager.

3) Custody and Broker Risk

The QFI Eligible Securities acquired by the relevant Sub-funds through the Investment Manager's QFI status will be maintained by the PRC Custodian(s) in electronic form via a securities account with the CSDCC or such other central clearing and settlement institutions and a cash account with the PRC Custodian(s).

The Investment Manager also selects the PRC Brokers to execute transactions for the relevant Sub-funds in the PRC markets. The Investment Manager can appoint up to the maximum number of PRC Brokers per market (e.g. the Shanghai Stock Exchange and the Shenzhen Stock Exchange) as permitted by the QFI Regulations. Should, for any reason, the relevant Sub-funds' ability to use the relevant PRC Broker be affected, this could disrupt the operations of the relevant Sub-funds. The relevant Sub-funds may also incur losses due to the acts or omissions of either the relevant PRC Broker(s) or the PRC Custodian(s) in the execution or settlement of any transaction or in the transfer of any funds or securities. Further, in the event of an irreconcilable shortfall in the assets in the securities accounts maintained by CSDCC, which may arise due to a fault in the CSDCC or bankruptcy of CSDCC, the relevant Sub-funds may suffer losses. It is possible that, in circumstances where only a single PRC Broker is appointed where it is considered appropriate to do so by the Investment Manager, the relevant Sub-fund(s) may not necessarily pay the lowest

commission or spread available.

Subject to the applicable laws and regulations in China, the Depositary will make arrangements to ensure that the PRC Custodians have appropriate procedures to properly safe-keep the Sub-funds' assets.

According to the QFI Regulations and market practice, the securities and cash accounts for the investment funds in China are to be maintained in the name of "the full name of the QFI investment manager – the name of the fund" or "the full name of the QFI investment manager – client account". Notwithstanding these arrangements with third party custodians, the QFI Regulations are subject to the interpretation of the relevant authorities in China.

Moreover, given that pursuant to the QFI Regulations, the Investment Manager as QFI will be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest), such QFI Eligible Securities of the relevant Sub-funds may be vulnerable to a claim by a liquidator of the Investment Manager and may not be as well protected as if they were registered solely in the name of the Sub-funds concerned. In particular, there is a risk that creditors of the Investment Manager may incorrectly assume that the relevant Sub-fund's assets belong to the Investment Manager and such creditors may seek to gain control of the relevant Sub-fund's assets to meet the Investment Manager's liabilities owed to such creditors.

Investors should note that cash deposited in the cash account of the relevant Sub-funds with the PRC Custodian(s) will not be segregated but will be a debt owing from the PRC Custodian(s) to the relevant Sub-funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian(s). In the event of bankruptcy or liquidation of the PRC Custodian(s), the Sub-funds concerned will not have any proprietary rights to the cash deposited in such cash account, and the Sub-funds concerned will become unsecured creditors, ranking *pari passu* with all other unsecured creditors, of the PRC Custodian(s). The Sub-funds concerned may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-funds concerned will suffer losses.

The Investment Manager as QFI shall entrust its PRC Custodian(s) to complete relevant registration formalities or submit relevant applications to the People's Bank of China ("PBOC") and SAFE as described in the Administrative Provisions on Domestic Securities and Futures Investment Capital of Foreign Institutional Investors (PBOC & SAFE Circular [2020] No. 2) (the "**Administrative Provisions**"). The Investment Manager shall cooperate

with its PRC Custodian(s) in fulfilling obligations regarding review of authenticity and compliance, anti-money laundering, anti-terrorist financing, etc.

4) Foreign Exchange Controls

RMB is currently not a freely convertible currency and is subject to exchange controls imposed by the Chinese government. As the relevant Sub-funds invest in China, such controls could affect the repatriation of funds or assets out of the country, thus limiting the ability of the relevant Sub-funds to satisfy redemption obligations.

Although the Investment Manager may choose the currency and timing of capital inward remittances, inward remittance and repatriation made by the Investment Manager for its domestic securities investments shall be in the same currency and no cross-currency arbitrage between RMB and other foreign currencies shall be allowed. The Investment Manager is allowed to convert between different foreign currencies according to their actual needs.

QFI Specific Risks

Onshore Versus Offshore Renminbi Differences Risk

While both the CNY and CNH are the same currency, they are traded in different and separated markets. The CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of the RMB held offshore (i.e. outside China), the CNH cannot be freely remitted into China and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions in the relevant Sub-funds investing in the QFI Eligible Securities through the Investment Manager's QFI status will be in USD and/or reference currency of the relevant share class and will be converted to/from the CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Sub-funds concerned may also be adversely affected by the rate and liquidity of the RMB outside China.

c) Risks relating to the China Interbank Bond Market

The China bond market is made up of the interbank bond market and the exchange listed bond market. The China interbank bond market is an OTC market established in 1997. Currently, more than 90% of CNY bond trading activity takes place in the China interbank

bond market, and the main products traded in this market include government bonds, central bank papers, policy bank bonds and corporate bonds.

The China interbank bond market is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. Sub-funds investing in such market are therefore subject to liquidity and volatility risks and may suffer losses in trading PRC bonds. The bid and offer spreads of the prices of the PRC bonds may be large, and the relevant Sub-funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that a Sub-fund transacts in the China interbank bond market in the PRC, the Sub-fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

The China interbank bond market is also subject to regulatory risks. Due to irregularities in the China interbank bond market trading activities, the China Government Securities Depository Trust & Clearing Co. (the central clearing entity) suspended new account opening on the China interbank bond market for specific types of products. Although Sub-funds that are mutual funds offered to the public were not affected, there is no assurance that future regulatory actions will not affect such funds. If accounts are suspended, or cannot be opened, the Sub-funds' ability to invest in the China interbank bond market will be limited and they may suffer substantial losses as a result.

d) Risks relating with the Stock Connect

A Sub-fund may invest and have direct access to certain eligible China A-Shares via the securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China and Hong Kong ("**Stock Connect**"). The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), Shanghai Stock Exchange ("**SSE**"), Shenzhen Stock Exchange ("**SZE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect allows investors to access China A-Shares listed on the SSE and SZE.

The Stock Connect comprises a Northbound Trading Link (for investment in China A-Shares) by which investors, through their Hong Kong brokers and a securities trading service company to be established by the Stock Exchange of Hong Kong Limited ("**SEHK**"), may be able to place orders to trade eligible shares listed on SSE/SZE by routing orders to SSE/SZE.

Under the Stock Connect, overseas investors (including the Sub-funds) may be allowed, subject to rules and regulations issued/amended from time to time, to trade China A-Shares listed on the SSE/SZE (the "**SSE/SZE Securities**") through the Northbound Trading Link. The list of eligible SSE/SZE securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Further information about the Stock Connect is available online at the website: <http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>.

Quota limitations risk

The Stock Connect is subject to quota limitations on investments. In particular, a Sub-fund may not be able to make its intended investments through Stock Connect given that it is subject to a daily quota which does not belong to the relevant Sub-fund and can only be utilized on a first-come-first serve basis. As a result, this may restrict the relevant Sub-funds' ability to invest in China A-Shares through the Stock Connect on a timely basis, and these Sub-funds may not be able to effectively pursue their investment policies.

Suspension risk

Both SEHK and SSE/SZE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant Sub-funds' ability to access the PRC market.

Where a suspension in the trading through the programme is effected, a Sub-fund's ability to invest in China A-Shares or access the PRC market through the programme will be adversely affected. In such event, the relevant Sub-fund's ability to achieve its investment objective could be negatively affected.

Differences in trading day

The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as Sub-funds) cannot carry out any China A-Shares

trading. The Sub-funds may be subject to a risk of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result.

Restrictions on selling imposed by front-end monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE/SZE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Clearing settlement and custody risks

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx ("HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Sub-fund(s) may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A-Shares traded through the Stock Connect are issued in scripless form, so Investors, such as the relevant Sub-funds, will not hold any physical China A-Shares. Hong Kong and overseas investors, such as the Sub-funds, who have acquired SSE/SZE Securities through Northbound trading should maintain the SSE/SZE Securities with their brokers' or depositary's stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Company.

Nominee arrangements in holding China A-Shares

HKSCC is the "nominee holder" of the SSE/SZE Securities acquired by overseas investors (including the relevant Sub-fund(s)) through the Stock Connect. The CSRC Stock Connect rules expressly provided that investors enjoy the rights and benefits of the SSE/SZE Securities acquired through the Stock Connect in accordance with applicable laws. The

CSRC has clarified in the "Several Provisions on the Interconnection Mechanism for Mainland and Hong Kong Stock Markets" issued by the CSRC on 30 September 2016 that (i) the concept of nominee shareholding is recognised in China, (ii) overseas investors shall hold SSE /SZE Securities through HKSCC and are entitled to proprietary interests in such securities as shareholders, (iii) China law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so, (iv) as long as certification issued by HKSCC is treated as lawful proof of a beneficial owner's holding of SSE/SZE Securities under the Hong Kong Special Administrative Region law, it would be fully respected by CSRC and (v) as long as an overseas investor can provide evidential proof of direct interest as a beneficial owner, the investor may take legal actions in its own name in PRC courts.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE/SZE securities in the PRC or elsewhere. Therefore, although the relevant Sub-funds' ownership may be ultimately recognised and the HKSCC confirmed that it is prepared to provide assistance to the beneficial owners of SSE/SZE securities where necessary, these Sub-funds may suffer difficulties or delays in enforcing their rights in China A-Shares. Moreover, whether PRC courts will accept the legal action independently initiated by the overseas investor with the certification of holding in SSE/SZE Securities issued by HKSCC has yet to be tested.

Investor compensation

Investments of the relevant Sub-funds through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the relevant Sub-funds are carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection Fund in the PRC.

Trading costs

In addition to paying trading fees and stamp duties in connection with China A-Share trading, the relevant Sub-funds may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Sub-funds, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The relevant Sub-funds' ability to access the China A-Share market (and hence to pursue their investment strategy) will be adversely affected.

Regulatory risk

The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the relevant rules and regulations are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished. The relevant Sub-funds which may invest in the PRC markets through the Stock Connect may be adversely affected as a result of such changes.

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

A Sub-fund may invest in the ChiNext market of the SZE via the Shenzhen-Hong Kong Stock Connect and the STAR Board of the SSE via the Shanghai-Hong Kong Stock Connect. Investments in the ChiNext market and/or STAR Board may result in significant losses for the relevant Sub-fund and its investors.

The following additional risks apply:

Higher fluctuation on stock prices and liquidity risk: Listed companies on ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors, such listed companies may have limited liquidity, compared to other boards on the SZE or SSE as relevant. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main boards on the SZE or SSE as relevant.

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

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

Delisting risk: There might be more situations in which companies listed on ChiNext market and/or STAR Board may be required to be delisted with a faster delisting procedures. Therefore ChiNext market and STAR Board have more stringent delisting measures compared to the main boards. This may have an adverse impact on the relevant Sub-fund if the companies that it invests in are delisted.

Concentration risk (Applicable to STAR Board): STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in the STAR Board may be concentrated in a small number of stocks and subject the relevant Sub-fund to higher concentration risk.

Investments in the ChiNext market and/or STAR Board may result in significant losses for the relevant Sub-Fund and its investors.

f) PRC Taxation Risk

By investing indirectly or directly in QFI Eligible Securities, including PRC shares (including China A-, B- and H-Shares), Renminbi denominated corporate and government bonds, securities investment funds and warrants listed on the PRC Stock Exchanges (together "**PRC Securities**"), a Sub-fund may be subject to withholding and other taxes imposed in the PRC.

Corporate Income Tax

With effect from 17 November 2014, no PRC withholding tax provision will be made on the gross unrealised and realised capital gains derived from trading of China A-Shares and/or other transfer of equity investment assets through the Investment Manager's QFI licence or capital gains derived from trading of China A-Shares through the Stock Connect.

Currently, a 10% tax is payable on interests derived from RMB denominated corporate bonds and dividends derived from China B- and H-Shares. The entity distributing such dividend or interests is required to withhold such tax. Although no specific rules governing taxes in respect of dividends derived from China B-Shares have been issued, it is believed that similar tax treatment shall apply. On the other hand, interests derived from government bonds are exempt from PRC income tax under the Corporate Income Tax ("**CIT**") Law. On 22 November 2018, the Ministry of Finance and the State Administration of Taxation of the PRC jointly issued "Circular on the Corporate Income Tax and Value-Added Tax Policy for Foreign Institutions to Invest in the Onshore Bond Market" (Caishui [2018] No.108) ("**Notice No. 108**"). Pursuant to Notice No. 108, bond interest income derived by foreign institutions from investing in the onshore bond market is temporarily exempted from corporate income tax and value-added tax for the period from 7 November 2018 to 6 November 2021.

Specific rules governing taxes on QFI's capital gains derived from the trading of PRC Securities have yet to be announced. In the absence of such specific rules, the PRC income

tax treatment should be governed by the general tax provisions of the CIT Law. For an enterprise that is not a tax resident enterprise and has no permanent establishment in the PRC for PRC corporate income tax purposes, a 10% PRC corporate income tax on a withholding basis ("**PRC WIT**") shall, subject to exemptions, apply to capital gains derived from the disposal of PRC Securities (although there could be practical difficulty for the PRC tax authorities to impose and collect PRC WIT on capital gains derived from the trading of China H-Shares which is conducted outside China).

Tax provision

It is the intention of the Investment Manager to operate the affairs of the Investment Manager as a QFI and the relevant Sub-funds such that they are not tax resident enterprises and have no permanent establishment in the PRC for PRC corporate income tax purposes, although this cannot be guaranteed. Any PRC WIT imposed in respect of the PRC Securities invested by the Sub-fund will be passed on to the Sub-fund and the asset value of the Sub-fund will be reduced accordingly.

The Company may make provisions in respect of a Sub-fund for the above tax obligations based on independent tax advice obtained. With the uncertainties under the applicable PRC tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Investment Manager may be excessive or inadequate to meet actual PRC tax liabilities on gains derived from PRC Securities.

Based on professional and independent tax advice, Fullgoal China Small-Mid Cap Growth Fund will not make the tax provisions relating to realised and unrealised capital gains derived from investments in China A-Shares via the Investment Manager's QFI status or Stock Connect.

Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed their Shares in/from the relevant Sub-fund. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Sub-fund's assets, the Sub-fund's asset value will be adversely affected.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via the QFI status and the Stock Connect (which may have retrospective effect). Any increased tax liabilities on a Sub-fund may adversely affect

the relevant Sub-fund's value. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which a Sub-fund invests in, thereby reducing the income from, and/or value of the Shares.

3. EQUITY INVESTMENT RISK

Small Capitalisation Companies Risk

Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. Some small companies in which the Sub-fund may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialise. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small fractions of their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the Company may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

Small and mid-capitalisation stock risk

The stock of small-capitalisation/ mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Exchange Rules

Each securities exchange typically has the right to suspend or limit trading in any securities that it lists. Such a suspension would render it impossible for the Sub-fund to liquidate positions and, accordingly, could expose the Sub-fund to losses.

Risks of investing in IPO securities

The prices of securities involved in IPOs are often subject to greater and more unpredictable price changes than more established securities. There is the risk that there are inadequate trading opportunities generally or allocations for IPOs which the Investment Manager wishes or is able to participate in. Furthermore, the liquidity and volatility risks associated with investments or potential investments in IPO securities may be difficult to assess, due to the lack of trading history of such IPO securities.

APPENDIX III – SUB-FUNDS DETAILS

The Company is designed to give Shareholders the flexibility to choose between investment portfolios with differing investment objectives and levels of risk.

All the Sub-funds offer different Share classes specified hereafter.

In respect of such additional Share Classes, the Sub-fund may hedge such Share Classes in relation to the Dealing Currency or in relation to currencies in which the relevant Sub-fund's underlying assets are denominated (as detailed in relation to each Sub-fund).

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of such Share Class. Similarly, any expenses arising from such hedging transactions will be borne by the respective Share Class in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Dealing Currency is declining or increasing in value relative to the relevant Reference Currency and so, where such hedging is undertaken it may substantially protect investors in the relevant Class against a decrease in the value of the Reference Currency relative to the Dealing Currency, but it may also preclude investors from benefiting from an increase in the value of the Reference Currency.

In addition the Sub-fund may hedge the Sub-fund Currency against the currencies in which the underlying assets of the Sub-fund are denominated or the underlying unhedged assets of a target fund are denominated.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Dealing Currency.

The specific investment objectives and policies of the different Sub-funds are the following:

Sub-Fund Name: Fullgoal International Funds SICAV – Fullgoal China Small-Mid Cap Growth Fund

1. Investment Objective & Policy

The Sub-fund's investment objective is to achieve capital appreciation primarily (i.e. usually two-thirds of its net asset value) through investing in small and mid cap companies whose operations are focused mainly in, or which derive a significant amount of revenue from China, Hong Kong or Macau listed in China, Hong Kong and the US.

In seeking to achieve the Sub-fund's investment objective, the Sub-fund shall invest usually two-thirds of its net asset value in equity or equity related assets of small and mid cap companies whose operations are focused mainly in, or which derive a significant amount of revenue from China, Hong Kong or Macau and listed in China, Hong Kong and the US. The Sub-fund may also invest up to 50% of its net asset value in China A-Shares via the securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China and Hong Kong (i.e. the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the "Stock Connect")) and the QFI status of the Investment Manager. These shares may include shares listed on the ChiNext market of the SZE and/or the Science and Technology Innovation Board of the SSE. The Investment Manager may from time to time determine the definition of small and mid cap companies with reference to the major financial or stock market indices which track the performance of small and mid cap companies.

The Sub-fund targets to generate a return higher than the performance benchmark, which is 95% of MSCI China Free SMID Index + 5% of Hong Kong Overnight Interbank Offer Rate (together the "**Benchmark Index**"). The Sub-fund uses the Benchmark Index for performance comparison purposes only. The Sub-fund is actively managed by the Investment Manager with complete discretion with respect to portfolio allocation and overall level of exposure to the market. The Investment Manager is not in any way constrained by the Benchmark Index in its portfolio positioning. The deviation from the Benchmark Index may be complete or significant.

The Sub-fund is not subject to any limitation on the portion of its net asset value that may be invested in any industry or sector.

The Sub-fund is an open-ended equity fund. It mainly invests in stocks listed in China, Hong Kong and the US. The Sub-fund may use derivatives issued in Hong Kong and the

US for efficient portfolio management and hedging purposes. The Sub-fund may use a wide range of investment techniques, including options and forward contracts for efficient portfolio management purposes. The Sub-fund will use financial derivative instruments (including but not limited to total return swaps) for investment purposes on an ancillary basis.

The Investment Manager will select stocks based on fundamental analysis of the individual companies and the macro-economic situation.

The Sub-fund will not invest into mortgage-backed securities (MBS) and asset-backed securities (ABS).

The Sub-fund may hold up to 20% of its Net Asset Value in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts). Under exceptionally unfavourable market conditions and if justified in the interest of the investors, the Sub-fund may temporary invest up to 100% of the Sub-fund's Net Asset Value in such assets.

In order to achieve its investment goals and for treasury purposes, the Sub-fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. For defensive purposes, the Sub-fund may invest up to 100% of its net assets in these instruments on a temporary basis.

The Sub-fund will not invest more than 10% of its net assets in units or shares of other UCITS or other UCIs.

Exposure to total return swaps

The expected level of exposure that could be subject to total return swaps (unfunded) fluctuates between 0 % and 10% of the Sub-fund's net assets, the latter being the maximum.

Profile of typical investor

A typical investor should take into consideration the specific risks of participating in a specialised portfolio of securities marketed on the Hong Kong Stock Exchange, participating in a specialised portfolio of securities marketed on the PRC Stock Exchanges via the Stock Connect, as well as the related securities duly listed on the New York Stock Exchange.

Investment in the Sub-fund might entail an average risk and is appropriate for persons who can accept short-term and/or long-term profit and/or losses due to market fluctuations.

The Sub-fund is designed for investment only by those investors, who understand the degree of risks involved and believe that the investment is suitable based upon their investment objectives and financial needs.

2. SFDR

The investments underlying this Sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

3. Special risk considerations

Investors should also refer to the section "Profile of the typical investor" above and to Appendix II "Risks of Investment" of the Prospectus, including sub-section regarding Small Capitalisation Companies Risk.

Derivatives:

This Sub-fund may employ derivatives to increase the level of investment. It does so in order to achieve a medium to long-term risk profile similar to that of a fund with a similar profile that does not invest in derivatives. However, to this end the Sub-fund may employ derivatives as it sees fit, such as futures or exchange traded options based on equity- or fixed income indices or currencies, which – relative to a fund that does not invest in derivatives with a similar profile – could result in very high additional opportunities and risks during certain phases.

4. Initial Subscription Period and Initial Issue Date

The Shares in the Sub-fund will be issued at the Initial Issue Price as at the Initial Issue Date detailed in the relevant application form or subscription agreement.

5. Classes of Shares and applicable fees

Currently there are the following types of Classes available:

ISIN:

Class A1 (USD):	LU1171460220
Class I1 (USD):	LU1171460493
Class A1 (EUR):	LU1171460576
Class I1 (EUR):	LU1171460659
Class A1 (HKD):	LU2279858448
Class E (USD):	LU1171460907
Class S (USD):	LU1171461038
Class PF (USD):	LU2279858109
Class PF (EUR):	LU2623261364

Subscription to the Share Class A1 (EUR, USD and HKD) is restricted to Retail Investors.

Subscription to the Share Class I1 (USD and EUR) is restricted to Institutional Investors.

Subscription to the Share Class E (USD) is restricted to certain categories of investors determined by the Investment Manager at its discretion.

Subscription to the Share Class S (USD) is restricted to Institutional Investors.

Subscription to the Share Class PF (USD and EUR) is offered to Retail Investors and Institutional Investors.

<u>Share Class</u> (***)	<u>Dealing Currency</u>	<u>Depository Fee</u>	<u>Management Fee</u>	<u>Administration Fee</u>	<u>Investment Management Fee</u>	<u>Performance Fee</u>	<u>Dividend Policy</u>
Class A1	USD	0.0125% (minimum USD 12,000 p.a.)	Up to 0.07 %(*)	Up to 0.04% (minimum USD 48,000 p.a.)	1.80% of NAV	Nil	Dist
Class I1	USD				0.90% of NAV	Nil	
Class A1	EUR				1.80% of NAV	Nil	
Class I1	EUR				0.90% of NAV	Nil	
Class A1 (HKD)	HKD				1.80% of NAV	Nil	
Class E (USD)	USD				0.50% of NAV	Nil	
Class S (USD)	USD				up to 2.00% of NAV	Nil	

<u>Share Class</u> (***)	<u>Dealing Currency</u>	<u>Depository Fee</u>	<u>Management Fee</u>	<u>Administration Fee</u>	<u>Investment Management Fee</u>	<u>Performance Fee</u>	<u>Dividend Policy</u>
Class PF (USD)	USD				0.60% of NAV	15% of the appreciation of the GAV per Share (prior to deduction of any Performance Fee) above the High Water Mark, multiplied by the Class PF Shares in issue	
Class PF (EUR)	EUR						

(*) Up to 0.07% of the average assets per Sub-fund p.a., subject to a minimum annual fee of up to €20,000 per Sub-fund.

(**) The Management Company, the Investment Manager, the Depository, the Administration Agent are entitled to the fees mentioned above and in section "Others Charges and Expenses" of the Prospectus.

Minimum Subscription Amount for the Share Class

Class A1 (USD) amounts to USD 1,500.

Class I1 (USD) amounts to USD 250,000.

Class A1 (EUR) amounts to EUR 1,000.

Class I1 (EUR) amounts to EUR 200,000.

Class A1 (HKD) amounts to HKD 10,000.

Class E (USD) amounts to USD 10,000.

Class S (USD) amounts to USD 100,000.

Class PF (USD) amounts to USD 5,000.

Class PF (EUR) amounts to EUR 5,000.

(***) Any Share Class may be closed to new subscriptions or switches in (but not to redemptions or switches out) at the discretion of the Board of Directors. Once closed, the Board of Directors may, at their discretion, re-open the relevant Share Class.

6. Subscriptions, Redemptions and Switching

The Dealing Days for each Share Class in this Sub-fund shall be every Business Day. Notwithstanding the description in section 2.1 (issue and redemption of shares) and 2.2 (switching of shares), subscription and redemption forms as well as switching instructions must be received no later than 4.00 p.m. CET one Business Day before the applicable Dealing Day.

- Payment of the Initial Price: within three (3) Business Days from the end of the Initial Issue Date.
- Payment of Subscription Price: within three (3) Business Days from the relevant Dealing Day.
- Payment of Redemption Price: within three (3) Business Days from the relevant Dealing Day.

Shareholders may request at any time the conversion of all or part of their holdings into Shares of the same Share Class of another Sub-fund. Switch requests should be sent to the Registrar and Transfer Agent by indicating the name of the Sub-fund into which the Shares are to be converted.

7. Subscription, Redemption and Switching Fees

Maximum Subscription Fee

for Share Classes A1 and PF / I1/ E / S: 5% / 3% / no subscription fees as regards Share Classes E and S

Redemption Fee: No redemption fees will be charged by the Sub-fund

Switching Fee: No switching fees will be charged by the Sub-fund

except in case of switching from one Share Class with no subscription fee into a Share Class

with subscription fee. In this scenario, a switching fee of up to the amount of subscription fee of the Share Class to be switched will be levied.

8. Performance Fees

The Investment Manager is entitled to charge a Performance Fee on Shares of Share Class PF which have appreciated in value over the High Water Mark (as defined below) for each performance period.

Performance Fee calculation

Performance Fee is payable annually on a high-on-high basis (i.e. when the Net Asset Value per Share of a Share of Share Class PF as at the last Performance Fee Valuation Day (as defined below) of a performance period exceeds the High Water Mark (as defined below)) in accordance with the following formula:

$$(A-B) \times C \times D$$

where:

“A” is the Gross Asset Value per Share of a Share of Share Class PF as at the last Performance Fee Valuation Day of a performance period.

“B” is the High Water Mark, which shall be the higher of: (i) the Initial Price of a Share of Share Class PF; and (ii) the Net Asset Value per Share of a Share of Share Class PF as at the end of any previous performance period in respect of which a Performance Fee was paid (i.e. after deduction of all fees including any Performance Fee and any distribution declared or paid in respect of that performance period). Where a Performance Fee is payable for a performance period, the Net Asset Value per Share of a Share of Share Class PF on the last Performance Fee Valuation Day of that performance period will be set as the High Water Mark for the next performance period.

“(A-B)” means the outperformance of a Share of Share Class PF, i.e. the amount by which the increase in Gross Asset Value per Share of a Share of Share Class PF during the relevant performance period exceeds the High Water Mark.

“C” is the rate of Performance Fee payable (i.e. 15%)

“D” is the number of Shares of Share Class PF in issue on the last Performance Fee Valuation Day of the relevant performance period.

The performance reference period is not shorter than the whole life of the relevant Share Class PF of the Sub-fund and cannot be reset.

Each performance period corresponds to the financial year of the Sub-fund at the end of which any Performance Fee payable is crystallised, except that the first performance period is from the first Business Day following the close of the Initial Subscription Period of the Share Class PF to the last Performance Fee Valuation Day of the Sub-fund’s next financial year.

If Shares of Share Class PF are redeemed during a performance period, the Performance Fee in respect of such Shares of Share Class PF will be calculated and crystallised as though the relevant redemption day was at the end of a relevant performance period. An amount equal to any Performance Fee in respect of such Shares of Share Class PF will be paid to the Investment Manager as soon as reasonably practicable after the relevant redemption day. In the event that the Investment Management Agreement is terminated on a day other than a Performance Fee Valuation Day, then an amount equivalent to the Performance Fee deemed to accrue on that day (if any) shall be payable to the Investment Manager.

Any Performance Fee payable shall be paid to the Investment Manager as soon as practicable after the end of the relevant performance period.

Performance Fee accrual

The Performance Fee shall accrue on each Business Day throughout a performance period and be calculated on the last Business Day of each financial year (“**Performance Fee Valuation Day**”). If the Gross Asset Value per Share of a Share of Share Class PF exceeds the High Water Mark, a Performance Fee accrual will be made. If not, no Performance Fee accrual will be made. On each Performance Fee Valuation Day, the accrual made on the previous Performance Fee Valuation Day will be reversed and a new Performance Fee accrual will be calculated and made in accordance with the above. If the Gross Asset Value per Share of a Share of Share Class PF on a Performance Fee Valuation Day is lower than or equal to the High Water Mark, all provision previously accrued will be reversed and no Performance Fee will be accrued.

The price of Shares of Share Class PF subscribed for or redeemed during a performance

period will be based on the Net Asset Value per Share of the Share Class PF (after accrual of Performance Fee as calculated in accordance with the above). Depending upon the performance of the Sub-fund during the year, the price at which shareholders subscribe for or redeem shares at different times will be affected by performance of the Sub-fund and this could have a positive or negative effect on the Performance Fee borne by them. As such, the Sub-fund has implemented the equalisation calculation below.

Equalisation

If an investor subscribes for Shares of Share Class PF at a time when the Gross Asset Value per Share of a Share of Share Class PF is higher or lower than the High Water Mark, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

- (A) If Shares of Share Class PF are subscribed for at a time when the Gross Asset Value per Share of a Share of Share Class PF is less than the High Water Mark, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares of Share Class PF. With respect to any appreciation in the value of those Shares of Share Class PF up to the High Water Mark, the Performance Fee will be charged at the end of the relevant performance period by redeeming such number of the Shareholder's Shares of Share Class PF as having an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 15% of any such appreciation ("**Performance Fee Redemption**"). The aggregate Net Asset Value of the Shares of Share Class PF so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Sub-fund maintains uniform Net Asset Value per Share. As for the Shareholder's remaining Shares of Share Class PF, any appreciation in the Gross Asset Value per Share of Share Class PF above the High Water Mark will be charged a Performance Fee in the normal manner described above.
- (B) If Shares of Share Class PF are subscribed for at a time when the Gross Asset Value per Share of Share Class PF is greater than the High Water Mark, an amount equal to 15% of the difference shall be allocated to each such Shares of Share Class PF which shall constitute an "equalisation credit" with respect to that Share of Share Class PF. At the end of the financial year, the equalisation credit will be applied as a credit against any Performance Fee payable in respect of such Share of Share Class PF. Where the equalisation credit exceeds the amount of the Performance Fee owed

on a Share of Share Class PF, the excess shall be used to purchase additional Shares of Share Class PF on behalf of the Shareholder (“**Equalisation Shares**”) and such Equalisation Shares will be subject to any Subscription Fee as if subscribed for on the same date as the relevant Share of Share Class PF. On a redemption of the relevant Shares of Share Class PF during the performance period, the remaining equalisation credit which is left outstanding and which corresponds to such Share of Share Class PF being redeemed shall be paid to the Shareholder in addition to and with the redemption proceeds otherwise payable. The equalisation credit is payable to account for the fact that the Net Asset Value per Share of Share Class PF has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fees that might otherwise be payable by the Sub-fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares of Share Class PF, no favourable performance has occurred yet. The equalisation credit ensures that all holders of Shares of Share Class PF have the same amount of capital at risk per Share of Share Class PF. Only Shares of Share Class PF that appreciate in value from the Net Asset Value applicable at the time of their subscription will be charged a Performance Fee and all Shares of Share Class PF have the same Net Asset Value.

Illustrative examples:

The example below is shown for illustration purposes only.

Assumptions:

- The Initial Price for the relevant Share of Share Class PF is HKD100.
- The Performance Fee payable is 15% of the increase in Gross Asset Value per Share of a Share of Share Class PF during the relevant performance period above the High Water Mark (i.e. outperformance of a Share of Share Class PF).

(I) First performance period (Net Asset Value per Share of Class PF above High Water Mark at the end of performance period – performance fee payable)

Investor A subscribes for 100 Shares of Share Class PF during the Initial Subscription Period of the Shares of Share Class PF at the Initial Price. Subsequently, the Gross Asset Value per Share of Class PF increases to HK\$105 and after the deduction of provision for the performance fee of HK\$0.75, the Net Asset Value per Share of Class PF is HK\$104.25.

Investor B subscribes for 100 Shares of Share Class PF at the Subscription Price of HK\$104.25. Thereafter, the Gross Asset Value per Share of Share Class PF decreases to HK\$95. The Net Asset Value per Share of Share Class PF is also at HK\$95 as all provision previously accrued will be reversed and there is no accrued Performance Fee. Investor C then subscribes for 100 Shares of Share Class PF at the Subscription Price of HK\$95. The High Water Mark is the Initial Price, which is HK\$100.

By the end of the first performance period, the Gross Asset Value per Share of Share Class PF is HK\$110. The outperformance is thus HK\$10. The number of Shares of Share Class PF in issue on the Performance Fee Valuation Day is 300 Shares of Share Class PF.

The total Performance Fee payable by the Sub-fund would be calculated as:

$$(HK\$110 - HK\$100) \times 15\% \times 300 \text{ Shares of Share Class PF} = HK\$450.$$

At the end of the first performance period, the Net Asset Value per Share of Share Class PF will be reduced by HK\$1.50. In effect, each of Investors A, B and C will have borne the HK\$1.50 Performance Fee in respect of the first performance period.

Investor B – allocation of equalisation credit

As Investor B subscribed at a time when the Net Asset Value per Share of Share Class PF is greater than the High Water Mark, Investor B shall be allocated an equalisation credit of:

$$(HK\$105 - HK\$100) \times 15\% \times 100 \text{ Shares of Share Class PF} = HK\$75$$

At the end of the first performance period, the equalisation credit will be applied as a credit against the Performance Fee payable in respect of Investor B's Shares of Share Class PF (i.e. HK\$1.50 x 100 Shares of Share Class PF = HK\$150). Equalisation Shares will then be issued to Investor B based on the Net Asset Value per Share (HK\$110 – HK\$1.50 = HK\$108.50) for an equivalent amount to the equalisation credit (i.e. HK\$75 / HK\$108.50 = 0.691 shares (rounded down)).

Investor C – payment of equalisation credit

As Investor C subscribed at a time when the Net Asset Value per Shares of Share Class PF is lower than the High Water Mark, Investor C shall be required to pay additional Performance Fee for the appreciation in the value of Investor C's Shares of Share Class PF

up to the High Water Mark equal to:

$$(\text{HK\$}95 - \text{HK\$}100) \times 15\% \times 100 \text{ Shares of Share Class PF} = -\text{HK\$}75$$

At the end of the first performance period, the above additional Performance Fee will be charged against Investor C by redeeming such number of Investor C's Shares of Share Class PF as having an aggregate Net Asset Value (after accrual for any Performance Fee) equal to HK\$75 (i.e. $\text{HK\$}75 / \text{HK\$}108.50 = 0.691$ shares (rounded down)), which will be paid to the Investment Manager as a Performance Fee. After the Performance Fee Redemption, Investor C will hold a remaining 99.309 Shares of Share Class PF at the end of the first performance period.

(II) Second performance period (Net Asset Value per Share of Share Class PF below High Water Mark on the Performance Fee Valuation Day/at the end of performance period – no performance fee payable):

At the start of the second performance period, the High Water Mark is HKD108.50 (being the Net Asset Value per Share of Share Class PF at the end of the last performance period in respect of which a Performance Fee was paid (after deduction of Performance Fee)).

At the end of the second performance period, the Gross Asset Value per Share of Share Class PF becomes HK\$105. No Performance Fee is therefore payable in the second performance period as the Gross Asset Value per Share of Share Class PF is below the High Water Mark.

9. Investment Manager

Fullgoal Asset Management (HK) Limited
19/F. No. 33 Des Voeux Road, Central
Hong Kong

10. Reference Currency

USD

11. Business Day

With respect to this Sub-fund, Business Day means a day on which banks are open for

normal banking business in Luxembourg, Hong Kong and China.

12. Dealing Day

The Net Asset Value per share will be determined as at each Business Day. The calculation and publication of the Net Asset Value as at a Dealing Day will take place on the following Business Day.

13. Distribution policy

The shares of the Sub-fund are Distribution Shares. Distributions may be made as at the end of the financial year, or at other time(s) to be determined by the Directors.

14. Risk Management

To determine the global risk exposure the Management Company is using the Commitment Approach as detailed, in applicable laws and regulations, including but not limited to CSSF Circular 11/512 and CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS.

15. Subscription Tax (Taxe d'abonnement)

Share Classes with "I" in their name are subject to a subscription tax at an annual rate of 0.01% of the net assets of the Sub-fund, Share Classes with "A" in their name are subject to a subscription tax at an annual rate of 0.05% of the net assets of the Sub-fund, Share Classes with "E" in their name are subject to a subscription tax at an annual rate of 0.05% of the net assets of the Sub-fund, Share Classes with "PF" in their name are subject to a subscription tax at an annual rate of 0.05% of the net assets of the Sub-fund and Share Classes with "S" in their name are subject to a subscription tax at an annual rate of 0.01% of the net assets of the Sub-fund, which is calculated and payable quarterly at the end of the relevant quarter. However, this tax is not due for the part of the Company's net assets invested in other Luxembourg UCIs.

Sub-fund Name: Fullgoal International Funds SICAV – Fullgoal China A Share Fund

1. Investment Objective & Policy

The Sub-fund's investment objective is to achieve capital appreciation through investing in equity or equity related assets of companies whose operations are focused mainly in, or which derive a significant amount of revenue from China, Hong Kong or Macau and listed in China and Hong Kong.

The Sub-fund shall invest usually above 70% of its Net Asset Value in China A-Shares via the securities trading and clearing linked programme with an aim to achieve mutual stock market access between China and Hong Kong (i.e. the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the "Stock Connect")) and the QFI status of the Investment Manager. These shares may include shares listed on the ChiNext market of the SZE and/or the Science and Technology Innovation Board of the SSE. The foregoing percentage may be derogated during the first six months following the launch of the Sub-fund while ensuing observance of the principle of risk-spreading.

The Sub-fund targets to generate a return higher than the performance benchmark, which is MSCI China A Onshore Index (the “**Benchmark Index**”) and uses the Benchmark Index for performance comparison purposes. In addition, the Sub-fund’s investment universe is expected to overlap usually above 70% with the components of the Benchmark Index as it is used as inspiration for the starting universe from which the equity securities will be selected. However, the Sub-fund is actively managed by the Investment Manager with complete discretion with respect to portfolio allocation and overall level of exposure to the market. Although, the Investment Manager is not in any way constrained by the Benchmark Index in its portfolio positioning and have absolute discretion to invest in companies or sectors not included in the Benchmark Index, the deviation from the Benchmark Index is expected to be rather limited.

The Sub-fund is not subject to any limitation on the portion of its net asset value that may be invested in any industry or sector.

The investment researches and stock selections method employed by the investment team within the Investment Manager in order to achieve stable and sustainable long-term investment return, will include notably, but not only:

- (a) bottom-up stock selection process with a mid-to-long term horizon; and

- (b) quantitative and qualitative analyses, which aim to select stocks with higher or stable growth rate in attractive price, so to achieve excess return to the Benchmark Index.

The Investment Manager focuses on the asset quality, profitability, solvency, cost control, future growth rate, return on equity and relative value of listed companies as well as on the corporate governance structure, management team ability, core competitiveness, position in industry, research and development capability, historical performance and business strategy of listed companies.

The Sub-fund may use derivatives for efficient portfolio management and hedging purposes. The Sub-fund may use a wide range of investment techniques, including options and forward contracts for efficient portfolio management purposes. The Sub-fund will use financial derivative instruments (including but not limited to total return swaps) for investment purposes on an ancillary basis. The Investment Manager will select stocks based on fundamental analysis of the individual companies and the macro-economic situation.

The Sub-fund will not invest into mortgage-backed securities (MBS) and asset-backed securities (ABS).

The Sub-fund will not invest more than 10% of its net assets in units or shares of other UCITS or other UCIs.

The Sub-fund will invest into companies of all sizes and may invest up to 30% of its net assets in small-cap companies.

The Sub-fund may hold up to 20% of its Net Asset Value in ancillary liquid assets (bank deposits at sight, such as cash held in current accounts). Under exceptionally unfavourable market conditions and if justified in the interest of the investors, the Sub-fund may temporary invest up to 100% of the Sub-fund's Net Asset Value in such assets.

In order to achieve its investment goals and for treasury purposes, the Sub-fund may also invest in bank deposits, money market instruments or money market funds pursuant to the applicable investment restrictions. For defensive purposes, the Sub-fund may invest up to 100% of its net assets in these instruments on a temporary basis.

Exposure to total return swaps

The expected level of exposure that could be subject to total return swaps (unfunded) fluctuates between 0 % and 10% of the Sub-fund's net assets, the latter being the maximum.

2. Profile of typical investor

A typical investor should take into consideration the specific risks of participating in a specialised portfolio of securities marketed on the Hong Kong Stock Exchange, participating in a specialised portfolio of securities marketed on the PRC Stock Exchanges via the Stock Connect or the QFI status of the Investment Manager.

The Sub-fund is designed for investment only by those investors, who understand the degree of risks involved and believe that the investment is suitable based upon their investment objectives and financial needs.

Investment in the Sub-fund might entail an average risk and is appropriate for persons who can accept short-term and/or long-term profit and/or losses due to market fluctuations.

3. SFDR

The investments underlying this Sub-fund do not take into account the EU criteria for environmentally sustainable economic activities

4. Special risk considerations

Investors should also refer to the section "Profile of the typical investor" above and to Appendix II "Risks of Investment" of the Prospectus.

Derivatives:

This Sub-fund may employ derivatives to increase the level of investment. It does so in order to achieve a medium to long-term risk profile similar to that of a fund with a similar profile that does not invest in derivatives. However, to this end the Sub-fund may employ derivatives as it sees fit, such as futures or exchange traded options based on equity- or fixed income indices or currencies, which – relative to a fund that does not invest in derivatives with a similar profile – could result in very high additional opportunities and risks during certain phases.

5. Initial Subscription Period and Initial Issue Date

The Shares in the Sub-fund will be issued at the Initial Issue Price as at the Initial Issue

Date detailed in the relevant application form or subscription agreement.

6. Classes of Shares and applicable fees

Currently there are the following types of Classes available:

	ISIN:
Class A (USD):	LU2568635457
Class I (USD):	LU2568635531
Class A (HKD):	LU2568760941
Class I (HKD):	LU2568635614
Class A (EUR):	LU2568635705
Class I (EUR):	LU2568635887
Class S (USD):	LU2568635960
Class I (Int, Acc) (CHF Hedged):	LU2568636000
Class A (Int, Acc) (USD):	LU2568636182
Class I (Int, Acc) (USD):	LU2568636265
Class A (Int, Acc) (EUR):	LU2568636349
Class I (Int, Acc) (EUR):	LU2568636422
Class PF (USD):	LU2568636695
Class PF (Acc) (USD):	LU2568636778

Subscription to the Share Class A (USD, HKD and EUR) is restricted to Retail Investors. Subscription to the Share Class I (USD, HKD and EUR) is restricted to Institutional Investors.

Subscription to the Share Class I (Int, Acc) (CHF Hedged), Share Class A (Int, Acc) (USD), Share Class I (Int, Acc) (USD), Share Class A (Int, Acc) (EUR) and Share Class I (Int, Acc) (EUR) are restricted to the respective Institutional and Retail Investors, as applicable, through delegated distribution agent only.

Subscription to the Share Class S (USD) is restricted to certain categories of investors determined by the Investment Manager at its discretion. Investors should be aware that there may be circumstances where the Board of Directors may decide to close such Share Class to further subscriptions when assets in the Share Class reach a level determined by the Board of Directors. Subscription to the Share Class PF (USD) and Share Class PF (Acc) (USD) is offered to Retail Investors and Institutional Investors.

<u>Share Class (***)</u>	<u>Dealing Currency</u>	<u>Depository Fee (**)</u>	<u>Management Fee (**)</u>	<u>Administration Fee (**)</u>	<u>Investment Management Fee (**)</u>	<u>Performance Fee</u>	<u>Dividend Policy</u>
Class A	USD	0.0125% (minimum USD 12,000 p.a.)	Up to 0.07% (*)	Up to 0.04% (minimum USD 48,000 p.a.)	1.80% of NAV	Nil	Dist
Class I	USD				1.00% of NAV	Nil	
Class A	HKD				1.80% of NAV	Nil	
Class I	HKD				1.00% of NAV	Nil	
Class A	EUR				1.80% of NAV	Nil	
Class I	EUR				1.00% of NAV	Nil	
Class S	USD				0.30% of NAV	Nil	
Class I (Int, Acc) (CHF Hedged)	CHF				1.00% of NAV	Nil	Acc
Class A (Int, Acc)	USD				1.80% of NAV	Nil	
Class I (Int, Acc)	USD				1.00% of NAV	Nil	
Class A (Int, Acc)	EUR	1.80% of NAV	Nil				
Class I (Int, Acc)	EUR	1.00% of NAV	Nil				
Class PF (USD)					1.00% of NAV	15% of the appreciation of the GAV per Share (prior to deduction of any Performance Fee) above the High	Dist
Class PF (Acc) (USD)					1.00% of NAV		Acc

<u>Share Class</u> (***)	<u>Dealing Currency</u>	<u>Depository Fee</u> (**)	<u>Management Fee</u> (**)	<u>Administration Fee</u> (**)	<u>Investment Management Fee</u> (**)	<u>Performance Fee</u>	<u>Dividend Policy</u>
						Water Mark, multiplied by the Class PF Shares in issue	

(*) Up to 0.07 % of the average assets per Sub-fund p.a., subject to a minimum annual fee of €15,000 per additional Sub-fund.

(**) The Management Company, the Investment Manager, the Depository, the Administration Agent are entitled to the fees mentioned above and in section "Others Charges and Expenses" of the Prospectus.

(***) Any Share Class may be closed to new subscriptions or switches in (but not to redemptions or switches out) at the discretion of the Board of Directors. Once closed, the Board of Directors may, at their discretion, re-open the relevant Share Class.

7. Initial Issue Price and Minimum Subscription Amount

The Initial Issue Price for the Share Class:

Class A (USD):	USD 1,000 per share
Class I (USD):	USD 1,000 per share
Class A (HKD):	HKD 1,000 per share
Class I (HKD):	HKD 1,000 per share
Class A (EUR):	EUR 1,000 per share
Class I (EUR):	EUR 1,000 per share
Class S (USD):	USD 1,000 per share
Class I (Int, Acc) (CHF Hedged):	CHF 1,000 per share.
Class A (Int, Acc) (USD):	USD 1,000 per share
Class I (Int, Acc) (USD)	USD 1,000 per share
Class A (Int, Acc) (EUR):	EUR 1,000 per share
Class I (Int, Acc) (EUR):	EUR 1,000 per share
Class PF (USD):	USD 1,000 per share
Class PF (Acc) (USD):	USD 1,000 per share

Minimum Initial Subscription Amount for the Share Class:

Class A (USD) amounts to USD 1,500.
Class I (USD) amounts to USD 250,000.
Class A (HKD) amounts to HKD 12,000.
Class I (HKD) amounts to HKD 2,000,000.
Class A (EUR) amount to EUR 1,000.
Class I (EUR) amounts to EUR 200,000.
Class S (USD) amounts to USD 250,000.
Class I (Int, Acc) (CHF Hedged) amounts to CHF 1,000,000.
Class A (Int, Acc) (USD) amounts to USD 1,500.
Class I (Int, Acc) (USD) amounts to USD 250,000.
Class A (Int, Acc) (EUR) amounts to EUR 1,000.
Class I (Int, Acc) (EUR) amounts to EUR 200,000.
Class PF (USD) amounts to USD 5,000.
Class PF (Acc) (USD) amounts to USD 5,000.

Minimum Subsequent Subscription Amount for the Share Class:

Class A (USD) amounts to USD 200.
Class I (USD) amounts to USD 50,000.
Class A (HKD) amounts to HKD 2,000.
Class I (HKD) amounts to HKD 400,000.
Class A (EUR) amount to EUR 200.
Class I (EUR) amounts to EUR 40,000.
Class S (USD) amounts to USD 50,000.
Class I (Int, Acc) (CHF Hedged) amounts to CHF 50,000.
Class A (Int, Acc) (USD) amounts to USD 250.
Class I (Int, Acc) (USD) amounts to USD 50,000.
Class A (Int, Acc) (EUR) amounts to EUR 200.
Class I (Int, Acc) (EUR) amounts to EUR 40,000.
Class PF (USD) amounts to USD 5,000.
Class PF (Acc) (USD) amounts to USD 5,000.

8. Subscriptions, Redemptions and Switching

The Dealing Days for each Share Class in this Sub-fund shall be every Business Day.

Notwithstanding the description in section 2.1 (issue and redemption of shares) and 2.2 (switching of shares), subscription and redemption forms as well as switching instructions must be received no later than 4.00 p.m. CET one Business Day before the applicable Dealing Day.

- Payment of the Initial Price: within three (3) Business Days from the end of the Initial Issue Date.
- Payment of Subscription Price: within three (3) Business Days from the relevant Dealing Day.
- Payment of Redemption Price: within three (3) Business Days from the relevant Dealing Day.

Shareholders may request at any time the conversion of all or part of their holdings into Shares of the same Share Class of another Sub-fund. Switch requests should be sent to the Registrar and Transfer Agent by indicating the name of the Sub-fund into which the Shares are to be converted.

9. Subscription, Redemption and Switching Fees

Maximum Subscription Fee

for Share Classes A and PF / I: 5% / 3%

Redemption Fee: No redemption fees will be charged by the Sub-fund

Switching Fee: No switching fees will be charged by the Sub-fund

except in case of switching from one Share Class with no subscription fee into a Share Class with subscription fee. In this scenario, a switching fee of up to the amount of subscription fee of the Share Class to be switched will be levied.

10. Performance Fees

The Investment Manager is entitled to charge a Performance Fee on Shares of Share Class PF which have appreciated in value over the High Water Mark (as defined below) for each performance period.

Performance Fee calculation

Performance Fee is payable annually on a high-on-high basis (i.e. when the Net Asset Value per Share of a Share of Share Class PF as at the last Performance Fee Valuation Day (as defined below) of a performance period exceeds the High Water Mark (as defined below)) in accordance with the following formula:

$$(A-B) \times C \times D$$

where:

“A” is the Gross Asset Value per Share of a Share of Share Class PF as at the last Performance Fee Valuation Day of a performance period.

“B” is the High Water Mark, which shall be the higher of: (i) the Initial Price of a Share of Share Class PF; and (ii) the Net Asset Value per Share of a Share of Share Class PF as at the end of any previous performance period in respect of which a Performance Fee was paid (i.e. after deduction of all fees including any Performance Fee and any distribution declared or paid in respect of that performance period). Where a Performance Fee is payable for a performance period, the Net Asset Value per Share of a Share of Share Class PF on the last Performance Fee Valuation Day of that performance period will be set as the High Water Mark for the next performance period.

“(A-B)” means the outperformance of a Share of Share Class PF, i.e. the amount by which the increase in Gross Asset Value per Share of a Share of Share Class PF during the relevant performance period exceeds the High Water Mark.

“C” is the rate of Performance Fee payable (i.e. 15%)

“D” is the number of Shares of Share Class PF in issue on the last Performance Fee Valuation Day of the relevant performance period.

The performance reference period is not shorter than the whole life of the relevant Share Class PF of the Sub-fund and cannot be reset.

Each performance period corresponds to the financial year of the Sub-fund at the end of which any Performance Fee payable is crystallised, except that the first performance period is from the first Business Day following the close of the Initial Subscription Period of the

Share Class PF to the last Performance Fee Valuation Day of the Sub-fund's next financial year.

If Shares of Share Class PF are redeemed during a performance period, the Performance Fee in respect of such Shares of Share Class PF will be calculated and crystallised as though the relevant redemption day was at the end of a relevant performance period. An amount equal to any Performance Fee in respect of such Shares of Share Class PF will be paid to the Investment Manager as soon as reasonably practicable after the relevant redemption day. In the event that the Investment Management Agreement is terminated on a day other than a Performance Fee Valuation Day, then an amount equivalent to the Performance Fee deemed to accrue on that day (if any) shall be payable to the Investment Manager.

Any Performance Fee payable shall be paid to the Investment Manager as soon as practicable after the end of the relevant performance period.

Performance Fee accrual

The Performance Fee shall accrue on each Business Day throughout a performance period and be calculated on the last Business Day of each financial year ("**Performance Fee Valuation Day**"). If the Gross Asset Value per Share of a Share of Share Class PF exceeds the High Water Mark, a Performance Fee accrual will be made. If not, no Performance Fee accrual will be made. On each Performance Fee Valuation Day, the accrual made on the previous Performance Fee Valuation Day will be reversed and a new Performance Fee accrual will be calculated and made in accordance with the above. If the Gross Asset Value per Share of a Share of Share Class PF on a Performance Fee Valuation Day is lower than or equal to the High Water Mark, all provision previously accrued will be reversed and no Performance Fee will be accrued.

The price of Shares of Share Class PF subscribed for or redeemed during a performance period will be based on the Net Asset Value per Share of the Share Class PF (after accrual of Performance Fee as calculated in accordance with the above). Depending upon the performance of the Sub-fund during the year, the price at which shareholders subscribe for or redeem shares at different times will be affected by performance of the Sub-fund and this could have a positive or negative effect on the Performance Fee borne by them. As such, the Sub-fund has implemented the equalisation calculation below.

Equalisation

If an investor subscribes for Shares of Share Class PF at a time when the Gross Asset Value per Share of a Share of Share Class PF is higher or lower than the High Water Mark, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

- (C) If Shares of Share Class PF are subscribed for at a time when the Gross Asset Value per Share of a Share of Share Class PF is less than the High Water Mark, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares of Share Class PF. With respect to any appreciation in the value of those Shares of Share Class PF up to the High Water Mark, the Performance Fee will be charged at the end of the relevant performance period by redeeming such number of the Shareholder's Shares of Share Class PF as having an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 15% of any such appreciation ("**Performance Fee Redemption**"). The aggregate Net Asset Value of the Shares of Share Class PF so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Sub-fund maintains uniform Net Asset Value per Share. As for the Shareholder's remaining Shares of Share Class PF, any appreciation in the Gross Asset Value per Share of Share Class PF above the High Water Mark will be charged a Performance Fee in the normal manner described above.
- (D) If Shares of Share Class PF are subscribed for at a time when the Gross Asset Value per Share of Share Class PF is greater than the High Water Mark, an amount equal to 15% of the difference shall be allocated to each such Shares of Share Class PF which shall constitute an "equalisation credit" with respect to that Share of Share Class PF. At the end of the financial year, the equalisation credit will be applied as a credit against any Performance Fee payable in respect of such Share of Share Class PF. Where the equalisation credit exceeds the amount of the Performance Fee owed on a Share of Share Class PF, the excess shall be used to purchase additional Shares of Share Class PF on behalf of the Shareholder ("**Equalisation Shares**") and such Equalisation Shares will be subject to any Subscription Fee as if subscribed for on the same date as the relevant Share of Share Class PF. On a redemption of the relevant Shares of Share Class PF during the performance period, the remaining equalisation credit which is left outstanding and which corresponds to such Share of Share Class PF being redeemed shall be paid to the Shareholder in addition to

and with the redemption proceeds otherwise payable. The equalisation credit is payable to account for the fact that the Net Asset Value per Share of Share Class PF has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fees that might otherwise be payable by the Sub-fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares of Share Class PF, no favourable performance has occurred yet. The equalisation credit ensures that all holders of Shares of Share Class PF have the same amount of capital at risk per Share of Share Class PF. Only Shares of Share Class PF that appreciate in value from the Net Asset Value applicable at the time of their subscription will be charged a Performance Fee and all Shares of Share Class PF have the same Net Asset Value.

Illustrative examples:

The example below is shown for illustration purposes only.

Assumptions:

- The Initial Price for the relevant Share of Share Class PF is HKD100.
- The Performance Fee payable is 15% of the increase in Gross Asset Value per Share of a Share of Share Class PF during the relevant performance period above the High Water Mark (i.e. outperformance of a Share of Share Class PF).

(I) First performance period (Net Asset Value per Share of Class PF above High Water Mark at the end of performance period – performance fee payable)

Investor A subscribes for 100 Shares of Share Class PF during the Initial Subscription Period of the Shares of Share Class PF at the Initial Price. Subsequently, the Gross Asset Value per Share of Class PF increases to HK\$105 and after the deduction of provision for the performance fee of HK\$0.75, the Net Asset Value per Share of Class PF is HK\$104.25. Investor B subscribes for 100 Shares of Share Class PF at the Subscription Price of HK\$104.25. Thereafter, the Gross Asset Value per Share of Share Class PF decreases to HK\$95. The Net Asset Value per Share of Share Class PF is also at HK\$95 as all provision previously accrued will be reversed and there is no accrued Performance Fee. Investor C then subscribes for 100 Shares of Share Class PF at the Subscription Price of HK\$95. The High Water Mark is the Initial Price, which is HK\$100.

By the end of the first performance period, the Gross Asset Value per Share of Share Class PF is HK\$110. The outperformance is thus HK\$10. The number of Shares of Share Class PF in issue on the Performance Fee Valuation Day is 300 Shares of Share Class PF.

The total Performance Fee payable by the Sub-fund would be calculated as:

$$(HK\$110 - HK\$100) \times 15\% \times 300 \text{ Shares of Share Class PF} = HK\$450.$$

At the end of the first performance period, the Net Asset Value per Share of Share Class PF will be reduced by HK\$1.50. In effect, each of Investors A, B and C will have borne the HK\$1.50 Performance Fee in respect of the first performance period.

Investor B – allocation of equalisation credit

As Investor B subscribed at a time when the Net Asset Value per Share of Share Class PF is greater than the High Water Mark, Investor B shall be allocated an equalisation credit of:

$$(HK\$105 - HK\$100) \times 15\% \times 100 \text{ Shares of Share Class PF} = HK\$75$$

At the end of the first performance period, the equalisation credit will be applied as a credit against the Performance Fee payable in respect of Investor B's Shares of Share Class PF (i.e. HK\$1.50 x 100 Shares of Share Class PF = HK\$150). Equalisation Shares will then be issued to Investor B based on the Net Asset Value per Share (HK\$110 – HK\$1.50 = HK\$108.50) for an equivalent amount to the equalisation credit (i.e. HK\$75 / HK\$108.50 = 0.691 shares (rounded down)).

Investor C – payment of equalisation credit

As Investor C subscribed at a time when the Net Asset Value per Shares of Share Class PF is lower than the High Water Mark, Investor C shall be required to pay additional Performance Fee for the appreciation in the value of Investor C's Shares of Share Class PF up to the High Water Mark equal to:

$$(HK\$95 - HK\$100) \times 15\% \times 100 \text{ Shares of Share Class PF} = -HK\$75$$

At the end of the first performance period, the above additional Performance Fee will be charged against Investor C by redeeming such number of Investor C's Shares of Share Class PF as having an aggregate Net Asset Value (after accrual for any Performance Fee) equal to HK\$75 (i.e. HK\$75 / HK\$108.50 = 0.691 shares (rounded down)), which will be paid to

the Investment Manager as a Performance Fee. After the Performance Fee Redemption, Investor C will hold a remaining 99.309 Shares of Share Class PF at the end of the first performance period.

(II) Second performance period (Net Asset Value per Share of Share Class PF below High Water Mark on the Performance Fee Valuation Day/at the end of performance period – no performance fee payable):

At the start of the second performance period, the High Water Mark is HKD108.50 (being the Net Asset Value per Share of Share Class PF at the end of the last performance period in respect of which a Performance Fee was paid (after deduction of Performance Fee)).

At the end of the second performance period, the Gross Asset Value per Share of Share Class PF becomes HK\$105. No Performance Fee is therefore payable in the second performance period as the Gross Asset Value per Share of Share Class PF is below the High Water Mark.

11. Investment Manager

Fullgoal Asset Management (HK) Limited
19/F. No. 33 Des Voeux Road, Central
Hong Kong

12. Reference Currency

USD

13. Business Day

With respect to this Sub-fund, Business Day means a day on which banks are open for normal banking business in Luxembourg, Hong Kong and China.

14. Dealing Day

The Net Asset Value per share will be determined as at each Business Day. The calculation and publication of the Net Asset Value as at a Dealing Day will take place on the following Business Day.

15. Distribution policy

The shares of the Sub-fund are Distribution Shares and Accumulation Shares. Distributions in respect of Distribution Shares may be made as at the end of the financial year, or at other time(s) to be determined by the Directors.

16. Risk Management

To determine the global risk exposure the Management Company is using the Commitment Approach as detailed, in applicable laws and regulations, including but not limited to CSSF Circular 11/512 and CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS.

2. Subscription Tax (*Taxe d'abonnement*)

Share Classes with "I" in their name are subject to a subscription tax at an annual rate of 0.01% of the net assets of the Sub-fund, Share Classes with "A" in their name are subject to a subscription tax at an annual rate of 0.05% of the net assets of the Sub-fund and Share Classes with "PF" in their name are subject to a subscription tax at an annual rate of 0.05% of the net assets of the Sub-fund, which is calculated and payable quarterly at the end of the relevant quarter. However, this tax is not due for the part of the Company's net assets invested in other Luxembourg UCIs.