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AFFIN HWANG
CAPITAL

Information Memorandum

Affin Hwang World Series - China Growth Fund



MANAGER
Affin Hwang Asset Management Berhad (429786-T)

TRUSTEE
HSBC (Malaysia) Trustee Berhad (1281-T)

This Information Memorandum is dated 14 August 2017.
The Affin Hwang World Series - China Growth Fund is constituted on 11 July 2011.
The constitution date for the Fund is also the launch date of the Fund.

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

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

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

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

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

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CORPORATE DIRECTORY

The Manager/AHAM

Affin Hwang Asset Management Berhad (429786-T)

Registered Office

27th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel No. : (603) 2142 3700

Fax No. : (603) 2140 3799

Business Address

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

Tel No. : (603) 2116 6000

Fax No. : (603) 2116 6100

Toll free line : 1-800-88-7080

E-mail : customercare@affinhwangam.com

Website : www.affinhwangam.com

Board of Directors of the Manager/AHAM

- Tan Sri Dato' Seri Che Lodin bin Wok Kamaruddin (Non-independent Director)
- Datuk Maimoonah Binti Mohamed Hussain (Non-independent Director)
- YBhg Mej Jen Dato' Hj Latip Bin Ismail (Independent Director)
- Mr Teng Chee Wai (Non-independent Director)
- Mr David Jonathan Semaya (Non-independent Director)
- Encik Abd Malik bin A Rahman (Independent Director)

The Trustee

HSBC (Malaysia) Trustee Berhad (1281-T)

Registered Office & Business Address

13th Floor, Bangunan HSBC, South Tower, No.2, Leboh Ampang, 50100 Kuala Lumpur

Tel No. : (603) 2075 7800

Fax No. : (603) 2179 6511

Trustee's Delegate

(Local Custodian)

The Hongkong and Shanghai Banking Corporation Limited

(as Custodian) and assets held through:-

HSBC Nominees (Tempatan) Sdn Bhd (258854-D)

Bangunan HSBC, No. 2, Leboh Ampang, 50100 Kuala Lumpur

Tel No. : (603) 2075 3000

Fax No. : (603) 2179 6488

Trustee's Delegate

(Foreign Custodian)

The Hongkong and Shanghai Banking Corporation Limited

6/F, Tower 1,

HSBC Centre

1 Sham Mong Road, Hong Kong

Tel : (852) 2288 6111

ABBREVIATION

AUD	Australian Dollar.
CCASS	Hong Kong Central Clearing and Settlement System.
CSRC	China Securities Regulatory Commission.
FIMM	Federation of Investment Managers Malaysia.
GST	Goods and Services Tax.
HKEX	Hong Kong Exchanges and Clearing Limited.
HKSCC	Hong Kong Securities Clearing Company Limited.
MYR	Ringgit Malaysia.
OECD	Organisation for Economic Co-operation and Development.
PHS	Product Highlights Sheet.
PRC	People's Republic of China.
RMB	Renminbi Yuan.
RQFII	Renminbi Qualified Foreign Institutional Investor.
SAFE	State Administration of Foreign Exchange.
SC	Securities Commission Malaysia.
SEHK	Stock Exchange of Hong Kong.
SGD	Singapore Dollar.
SSE	Shanghai Stock Exchange.
UCITS	Undertakings for Collective Investments in Transferable Securities.
US	United States of America.
USD	United States Dollar.

GLOSSARY

2010 Law	Refers to the law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
A Shares	Means shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in RMB and available for investment by domestic investors and RQFIIs.
the Act	Means the Capital Markets and Services Act 2007as may be amended from time to time.
Base Currency	Means the currency in which the Fund is denominated i.e. USD.
BlackRock Group	Means the BlackRock group of companies, the ultimate holding company of which is BlackRock, Inc.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad.
Business Day	Means a day on which the Bursa Malaysia is open for trading.
ChinaClear	Means China Securities Depository and Clearing Corporation Limited which is the PRC's central securities in respect of China A Shares.
Class(es)	Means any number of Class(es) of Unit(s) representing similar interests in the assets of the Fund and "Class" means any one Class of Units.
Company	Means BlackRock Global Funds where it is a public limited company (société anonyme) established under the laws of the Grand Duchy of Luxembourg as an open ended variable capital investment company (société d'investissement à capital variable).
Deed	Means the Deed dated 3 June 2011, as modified by the Supplemental Deed dated 18 January 2012, Second Supplemental Deed dated 27 June 2014, Third Supplemental

	Deed dated 3 August 2016, Fourth Supplemental Deed dated 17 July 2017 and Fifth Supplemental Deed dated 7 August 2017 entered into between the Manager and the Trustee.
deposit(s)	Has the same meaning as the definition of "deposit" in the Financial Services Act 2013. For the avoidance of doubt, it shall exclude structured deposit.
Depository	Refers to The Bank of New York Mellon (International) Limited, Luxembourg Branch, who acts as custodian of the assets of the Company.
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
ESMA Guidelines	Means European Securities and Markets Authority's guidelines on a common definition of European money market funds.
European Union or EU	Means a politico-economic union of 28 member states that are located primarily in Europe, operates through a system of supranational institutions and intergovernmental-negotiated decisions by the Member States.
EU Member State	Means the member state of the European Union.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Price	Means the price of a Unit that is the NAV per Unit calculated at the next valuation point after a purchase request or a repurchase request, as the case may be, is received by the Manager.
Fund	Means Affin Hwang World Series - China Growth Fund.
Guidelines	Means the <i>Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework</i> issued by the SC and as may be amended from time to time.
Hedged Class	Means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed to having invested in that Class, also known as NAV hedging method. NAV hedging is undertaken regardless of whether the Base Currency is expected to increase or decline in value relative to the hedged currency.
Information Memorandum	Means this offer document in respect of this Fund as may be, replaced or amended from time to time.
Licensed Bank	Means a bank licensed under the Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under the Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
long term	Means a period of more than five (5) years.
Manager or AHAM	Means Affin Hwang Asset Management Berhad.
Management Company	Refers to BlackRock Luxembourg S.A.
medium term	Means a period of between three (3) to five (5) years.
Member States	Means the member state of the European Union.
NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; where the Fund has more than one Class of Units, there shall be a Net Asset Value of the Fund attributable to each Class of Units.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Unit in Circulation at the same valuation point; where the Fund has more than one Class of Units, there shall be a NAV per Unit for each Class of Units; the NAV per Unit

	<p>of a Class of Units at a particular valuation point shall be the NAV of the Fund attributable to that Class of Units divided by the number of Units in Circulation of that Class of Units at the same valuation point.</p>
Repurchase Charge	Means a fee imposed pursuant to a repurchase request.
Repurchase Price	<p>Means the price payable to the Unit Holder by the Manager for a Unit of the Fund pursuant to a repurchase request.</p> <p><i>The Repurchase Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period. As such, any Repurchase Charge applicable is excluded from the calculation of the Repurchase Price per Unit.</i></p>
RQFII Access Fund(s)	Refers the Company's funds (including the Target Fund) as stated in the Target Fund's Prospectus may invest directly in the PRC by investing in China A Shares and/or China onshore bonds (as relevant) via RQFII Quota, which may be allocated to BlackRock Asset Management North Asia Limited (being the sub-investment adviser) as RQFII or an affiliate in the BlackRock Group who is a RQFII and has been allocated RQFII Quota (subject to such entity being appointed as an investment adviser or sub-investment adviser to the relevant RQFII access fund and that they have received the RQFII Quota allocation).
RQFII Custodian	Means HSBC Bank (China) Company Limited or such other person appointed as a sub-custodian of the Target Fund for China A Shares and/or China onshore bonds acquired through the RQFII Quota.
RQFII License	Means the license awarded by the CSRC to entities based in certain jurisdictions outside of the PRC, enabling such entities to acquire RQFII Quota.
RQFII License Holder	Means the holder of a RQFII License.
RQFII Quota	Means Renminbi denominated investment quota issued by SAFE to holders of a RQFII License in respect of certain onshore PRC securities.
Sales Charge	Means a fee imposed pursuant to a purchase request.
Selling Price	<p>Means the price payable by the Unit Holder or an investor for a Unit in the Fund pursuant to a purchase request.</p> <p><i>The Selling Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period. As such, any Sales Charge applicable is excluded from the calculation of the Selling Price per Unit.</i></p>
Sophisticated Investor	<p>Refers to –</p> <ol style="list-style-type: none"> (1) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; (2) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (3) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months; (4) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; (5) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; (6) a unit trust scheme or prescribed investment scheme; (7) a private retirement scheme; (8) a closed-end fund approved by SC; (9) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies; (10) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies; (11) a statutory body established by an Act of Parliament or an enactment of any

	<p>State;</p> <p>(12) a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967 [Act 53];</p> <p>(13) central bank of Malaysia;</p> <p>(14) a holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence;</p> <p>(15) a licensed institution as defined in the Financial Services Act 2013;</p> <p>(16) an Islamic bank as defined in the Islamic Financial Services Act 2013;</p> <p>(17) an insurance company licensed under the Financial Services Act 2013;</p> <p>(18) a takaful operator registered under the Islamic Financial Services Act 2013;</p> <p>(19) a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010 [Act 704];</p> <p>(20) an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; and</p> <p>(21) such other investor(s) as may be permitted by the Securities Commission Malaysia from time to time and/or under the relevant guidelines for wholesale funds.</p>
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths of the Unit Holders present and voting” means three-fourths of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund or a Class, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.
Stock Connect	Means the Shanghai-Hong Kong Stock Connect.
Stock Connect Fund(s)	Refers the Company’s funds (including the Target Fund) as stated in the Target Fund’s Prospectus which may invest in China A Shares on the SSE via the Stock Connect.
Target Fund	Refers to BGF China Fund.
Target Fund Manager	Refer to BlackRock Investment Management (UK) Limited as the investment adviser and BlackRock Asset Management North Asia Limited as the sub-investment adviser.
Target Fund’s Prospectus	Means the offering document of the Target Fund dated 30 June 2016, as updated and amended from time to time.
Trustee	Means HSBC (Malaysia) Trustee Berhad.
Unit or Units	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund and if the Fund has more than one Class of Units, it means a Unit issued for each Class.
Units in Circulation	Means Units created and fully paid and which has not been cancelled. <i>It is also the total number of Units issued at a particular valuation point.</i>
Unit Holder	Means the person for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.
US Person	Means a US citizen or US tax resident individual, (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), a US corporation, US partnership, US trust or US estate for US federal income tax purposes.

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

ABOUT AFFIN HWANG WORLD SERIES - CHINA GROWTH FUND

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

INVESTORS' PROFILE

The Fund is suitable for you, if you:

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

INVESTMENT OBJECTIVE

The Fund seeks to achieve capital appreciation over medium to long term period through investments in China equities.

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

PERFORMANCE BENCHMARK

MSCI China 10/40 Index

ASSET ALLOCATION

- A minimum of 90% of the Fund's NAV to be invested in the Target Fund; and
- A maximum of 10% of the Fund's NAV to be invested in money market instruments, deposits and/or liquid assets.

INVESTMENT STRATEGY

The Fund will be investing in a minimum of 90% of the Fund's NAV into the Target Fund and a maximum of 10% of the Fund's NAV into money market instruments, deposits and / or liquid assets.

We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investments into the Target Fund and raise liquidity level of the Fund during adverse market conditions to protect the Unit Holders' interest.

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

Derivatives

Derivative trades may be carried out for hedging purposes, as well as for investment purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. The intention of hedging is to protect the value of the asset from any adverse price movements. For example, to hedge against foreign currency exchange risk, the Fund may enter into a currency forward contract to offset any adverse foreign currency movements by determining an agreed rate for an agreed tenure with its counterparty. While these hedging would protect the Fund against potential losses, trades for hedging purposes would also limit the returns that the Fund may have potentially received from foreign exchange gains would the Fund have not hedged its foreign currency exposure.

For derivative trades entered into for investment purposes, the intention is to generate returns for the Fund. These trades are carried out to provide additional exposure to the underlying asset that the Fund does not have. However, you are to note that such transactions may have an adverse effect on the price of the NAV should our opinion on the

underlying asset does not move in the direction that we had predicted. As such, investments into derivatives would expose the Fund's NAV to potentially higher volatility, depending on the price movement of the underlying assets.

Cross Trades

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

PERMITTED INVESTMENT

The Fund will invest in the following investments:

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

VALUATION POINT OF THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or "trading day" or "T" day). However, if the Fund has exposure to investments outside of Malaysia, the Fund will be valued at 11.00 a.m. on the next Business Day (or "T + 1"). All foreign assets are translated into the base currency of the Fund i.e. USD, based on the latest available bid exchange rate quoted by Bloomberg/Reuters at 4.00 p.m. (United Kingdom time) which is equivalent to 11 p.m. or 12 a.m. midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

We will obtain the daily price or value of the assets for the purpose of valuing the Fund in accordance to the Financial Reporting Standard 139 issued by the Malaysian Accounting Standards Board. In the absence of daily price or value of the assets, we will use the latest available price or value of the assets respectively.

The valuation bases for the permitted investments of the Fund are as below:

- **Unlisted Collective Investment Schemes**
Investments in unlisted collective investment schemes shall be valued based on the last published repurchase price.
- **Deposit**
Valuation of fixed deposits placed with Financial Institutions will be done by reference to the principal value of the fixed deposits and the interests accrued thereon for the relevant period.
- **Money Market Instruments**
Valuation of money market instruments will be based on amortised costs.
- **Derivatives**
The valuation of derivatives will be based on the rates provided by the respective issuers. For foreign exchange forward contracts ("FX Forwards"), we will apply interpolation formula to compute the value of the FX Forwards based on the rates provided by the Bloomberg. If the rates are not available on the Bloomberg, the FX Forwards will be valued by reference to the average indicative rate quoted by at least 3 independent dealers. In the case where we are unable to obtain quotation from 3 independent dealers, the FX Forwards will be valued in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
- **Any Other Investment**
Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

ABOUT THE CLASSES

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

Classes	USD Class	MYR Class	MYR-Hedged Class	SGD-Hedged Class	AUD-Hedged Class																														
Initial Offer Price	USD 0.50*	N/A+	MYR 0.50*	SGD 0.50*	AUD 0.50*																														
	+The price of Units will be based on the NAV per Unit. *The price of Units offered for purchase during the initial offer period.																																		
Initial Offer Period	<ul style="list-style-type: none"> ➤ The initial offer period for USD Class and MYR-Hedged Class will be one (1) days from the date of this Information Memorandum. ➤ The initial offer period for SGD-Hedged Class and AUD-Hedged Class will be one (1) day commencing from the launch of a particular Class, and the launch will be disseminated through official communication channels and communiques to the Unit Holders. ➤ The initial offer period for the existing MYR Class however, had ended. 																																		
Minimum Initial Investment*	USD 5,000	MYR 30,000	MYR 30,000	SGD 5,000	AUD 5,000																														
Minimum Additional Investment*	USD 1,000	MYR 10,000	MYR 10,000	SGD 1,000	AUD 1,000																														
Minimum Units Held*	10,000 Units	60,000 Units	60,000 Units	10,000 Units	10,000 Units																														
	If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your holding of Units in the Fund and pay the proceeds to you.																																		
Minimum Units Per Switch*	10,000 Units	20,000 Units	20,000 Units	10,000 Units	10,000 Units																														
Unitholdings in Different Classes	You should note that there are differences when purchasing Units of the USD Class and other Classes in the Fund. For illustration purposes, assuming you have USD 10,000 to invest:																																		
	<table border="1"> <thead> <tr> <th>Class(es)</th> <th>USD Class</th> <th>MYR Class</th> <th>MYR-Hedged Class</th> <th>SGD-Hedged Class</th> <th>AUD-Hedged Class</th> </tr> </thead> <tbody> <tr> <td>NAV per Unit</td> <td>USD 0.50</td> <td>MYR 0.50</td> <td>MYR 0.50</td> <td>SGD 0.50</td> <td>AUD 0.50</td> </tr> <tr> <td>Currency exchange rate</td> <td>USD 1 = USD 1</td> <td>USD 1 = MYR 4</td> <td>USD 1 = MYR 4</td> <td>USD 1 = SGD 2</td> <td>USD 1 = AUD 2</td> </tr> <tr> <td>Invested amount</td> <td>USD 10,000 x USD 1 = USD 10,000</td> <td>USD 10,000 x MYR 4 = MYR 40,000</td> <td>USD 10,000 x MYR 4 = MYR 40,000</td> <td>USD 10,000 x SGD 2 = SGD 20,000</td> <td>USD 10,000 x AUD 2 = AUD 20,000</td> </tr> <tr> <td>Units received</td> <td>USD 10,000 ÷ USD 0.50 = 20,000 Units</td> <td>MYR 40,000 ÷ MYR 0.50 = 80,000 Units</td> <td>MYR 40,000 ÷ MYR 0.50 = 80,000 Units</td> <td>SGD 20,000 ÷ SGD 0.50 = 40,000 Units</td> <td>AUD 20,000 ÷ AUD 0.50 = 40,000 Units</td> </tr> </tbody> </table>					Class(es)	USD Class	MYR Class	MYR-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	NAV per Unit	USD 0.50	MYR 0.50	MYR 0.50	SGD 0.50	AUD 0.50	Currency exchange rate	USD 1 = USD 1	USD 1 = MYR 4	USD 1 = MYR 4	USD 1 = SGD 2	USD 1 = AUD 2	Invested amount	USD 10,000 x USD 1 = USD 10,000	USD 10,000 x MYR 4 = MYR 40,000	USD 10,000 x MYR 4 = MYR 40,000	USD 10,000 x SGD 2 = SGD 20,000	USD 10,000 x AUD 2 = AUD 20,000	Units received	USD 10,000 ÷ USD 0.50 = 20,000 Units	MYR 40,000 ÷ MYR 0.50 = 80,000 Units	MYR 40,000 ÷ MYR 0.50 = 80,000 Units	SGD 20,000 ÷ SGD 0.50 = 40,000 Units	AUD 20,000 ÷ AUD 0.50 = 40,000 Units
Class(es)	USD Class	MYR Class	MYR-Hedged Class	SGD-Hedged Class	AUD-Hedged Class																														
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Currency exchange rate	USD 1 = USD 1	USD 1 = MYR 4	USD 1 = MYR 4	USD 1 = SGD 2	USD 1 = AUD 2																														
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	<i>Invested amount = USD 10,000 x currency exchange rate of the Class</i>																																		
	<i>Units received = Invested amount ÷ NAV per Unit of the Class</i>																																		
	By purchasing Units in the USD Class, you will receive less Units for every USD invested in the Fund (i.e. 20,000 Units) compared to purchasing Units in MYR Class (i.e. 80,000 Units), MYR-Hedged Class (i.e. 80,000 Units), SGD-Hedged Class (i.e. 40,000 Units) or AUD-Hedged Class (i.e. 40,000 Units). Upon a poll, the votes by every Unit Holder present in person or by proxy is proportionate to the value of Units held by him or her. Hence, holding more																																		

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

Classes	USD Class	MYR Class	MYR-Hedged Class	SGD-Hedged Class	AUD-Hedged Class
	<p>number of Units may not give you an advantage when voting at Unit Holders' meetings. You should note that in a Unit Holders' meeting to terminate or wind up the Fund, a Special Resolution will only be passed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.</p>				

The Fund may create new Classes of Units and/or new Hedged Classes of Units in respect of the Fund in the future. You will be notified of the issuance of the new classes of Units and/or new Hedged Class of Units by way of communiqué and the prospective investors will be notified of the same by way of a supplemental/replacement information memorandum.

ABOUT THE FEES AND CHARGES

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

The fees, charges and expenses quoted in this Information Memorandum are exclusive of GST. We (including the Trustee and other service providers of the Fund) will charge GST at the prevailing rate of 6% on the fees, charges and expenses in accordance with the Goods and Services Tax Act 2014.

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

SALES CHARGE

Up to 5.50% of the initial offer price of a Class during the initial offer period, thereafter, on the NAV per Unit of a Class.

REPURCHASE CHARGE

Not applicable.

TRANSFER FEE

MYR 5.00 transfer fee will be levied for each transfer of Units.

SWITCHING FEE

Not applicable.

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

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

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

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

ANNUAL MANAGEMENT FEE

The management fee is up to 1.80% of the NAV of the Fund per annum, and is calculated using the Fund’s Base Currency (before deducting the management fee and trustee fee). The management fee is accrued daily and payable monthly.

Please note that the example below is for illustration only:

$$\begin{array}{l} \text{USD 120 million} \times 1.80\% \\ 365 \text{ days} \qquad \qquad \qquad = \text{USD 5,917.80 per day} \end{array}$$

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

ANNUAL TRUSTEE FEE

The trustee fee is up to 0.05% per annum of the NAV of the Fund (excluding foreign sub-custodian fees and charges), and is calculated using the Fund's Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

Please note that the example below is for illustration only:

$$\frac{\text{USD 120 million} \times 0.05\%}{365 \text{ days}} = \text{USD 164.38 per day}$$

ADMINISTRATIVE FEE

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

- Commissions or fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee for the custody of foreign investments) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Tax and other duties charged on the Fund by the government and/or other authorities;
- Costs, fee and other expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;
- Costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or the Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee;
- any tax such as GST and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- Other fees and expenses related to the Fund allowed under the Deed.

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

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

Sales Charge	5.50% of the NAV per Unit of a Class
Repurchase Charge	1.00% of the NAV per Unit of a Class
Annual Management Fee	3.00% per annum of the NAV of the Fund calculated and accrued daily
Annual Trustee Fee	0.10% per annum of the NAV of the Fund calculated and accrued daily (excluding foreign custodian fees and charges)

FEES AND CHARGES OF THE TARGET FUND

Preliminary Charge	Not applicable
Redemption Fee	Not applicable
Management Fee	Up to 0.75% per annum of the net asset value of the Target Fund. <i>Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.</i>

REBATES AND SOFT COMMISSIONS

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

The soft commission can be retained by us or our delegates provided that;-

- the goods and services are of demonstrable benefit to the Unit Holder in the form of research and advisory services that assist in the decision-making process relating to Unit Holders' investments; and
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.

ABOUT THE TARGET FUND

NAME	: BGF China Fund
BASE CURRENCY	: USD
TYPE OF CLASS	: I2 (Institutional, Accumulation)
INCEPTION DATE OF THE CLASS	: 18-Dec-2009
INCEPTION DATE OF THE TARGET FUND	: 24-Jun-2008
COUNTRY OF ORIGIN	: Luxembourg
CUSTODIAN AND DEPOSITORY	: The Bank of New York Mellon (International) Limited, Luxembourg Branch
REGULATORY AUTHORITY	: Luxembourg Commission de Surveillance du Secteur Financier

The Target Fund is a sub-fund of the Company. The Company has been authorised by the Commission de Surveillance du Secteur Financier (CSSF) as an undertaking for collective investments in transferable securities pursuant to the provisions of Part I of the law of 17 December 2010, as amended from time to time and is regulated pursuant to such law.

The Company is managed by the BlackRock Luxembourg S.A. (“Management Company”), a wholly owned subsidiary within the BlackRock Group and it is regulated by the CSSF. The Management Company has delegated its investment management functions to the BlackRock Investment Management (UK) Limited as the investment adviser and BlackRock Asset Management North Asia Limited as the sub-investment adviser, both being the Target Fund Manager. Notwithstanding the appointment of the investment advisers or sub-investment adviser, the Management Company accepts full responsibility to the Company for all investment transactions.

INVESTMENT OBJECTIVE AND POLICIES

The Target Fund seeks to maximise total return. The Target Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, the People’s Republic of China.

RQFII Investments

Under current PRC law, subject to minor exceptions, investors based in certain jurisdictions outside the PRC may apply to the CSRC for status as a RQFII. Once an entity is licensed as a RQFII, it may be allocated a certain amount of RQFII Quota by SAFE, which it may use to invest directly in eligible PRC securities. No direct investment in eligible PRC securities may take place without an allocation of RQFII Quota. BAMNA has been licensed as a RQFII and may use its RQFII Quota as and when it is allocated in respect of the RQFII Access Funds. There may be additional BlackRock entities licensed as RQFII’s from time to time which may also use RQFII Quota in respect of the RQFII Access Funds.

The RQFII may from time to time make available RQFII Quota for the purpose of the relevant RQFII Access Fund’s direct investment into the PRC. Under the SAFE’s RQFII quota administration policy, the RQFII has the flexibility to allocate RQFII Quota across different open-ended fund products, or, subject to SAFE’s approval, to products and/or accounts that are not open-ended funds. Where available, the RQFII may therefore allocate additional RQFII Quota to the relevant RQFII Access Funds, or allocate RQFII Quota to other products and/or accounts. The RQFII may also apply to SAFE for an increase of the RQFII Quota which may be utilised by the relevant RQFII Access Funds or other products managed by the RQFII.

As of the date of the Target Fund’s Prospectus, the RQFII Quota is not available for use by the RQFII Access Funds. Once the RQFII Quota has been allocated to the RQFII Access Funds, the Management Company will obtain an opinion from PRC legal counsel (“PRC Legal Opinion”) before the RQFII Access Funds utilise such RQFII Quota. The Management Company will ensure that the PRC Legal Opinion will, in respect of each of the RQFII Access Funds, contain the following as a matter of PRC laws:

1. securities account(s) opened with the relevant depositories and maintained by the RQFII Custodian and the Renminbi special deposit account(s) with the RQFII Custodian (respectively, the “RQFII securities account(s)” and the “Renminbi cash account(s)”) have been opened in the joint names of the RQFII and the relevant RQFII Access Fund for the sole benefit and use of the RQFII Access Fund in accordance all applicable laws and regulations of

the PRC and with approval from all competent authorities in the PRC;

2. the assets held/credited in the RQFII securities account(s) of the relevant RQFII Access Fund (i) belong solely to the RQFII Access Fund, and (ii) are segregated and independent from the proprietary assets of the RQFII (as the RQFII Licence Holder), the Depository or the RQFII Custodian and any PRC Broker(s), and from the assets of other clients of the RQFII (as RQFII Licence Holder), the Depository, the RQFII Custodian and any PRC Broker(s);
3. the assets held/credited in the Renminbi cash account(s) become an unsecured debt owing from the RQFII Custodian to the relevant RQFII Access Fund, and (ii) are segregated and independent from the proprietary assets of the RQFII (as RQFII Licence Holder) and any PRC Broker(s), and from the assets of other clients of the RQFII (as RQFII Licence Holder) and any PRC Broker(s);
4. the Company, for and on behalf of the relevant RQFII Access Fund, is the only entity which has a valid claim of ownership over the assets in the RQFII securities account(s) and the debt in the amount deposited in the Renminbi cash account(s) of the RQFII Access Fund;
5. if the RQFII or any PRC Broker(s) is liquidated, the assets contained in the RQFII securities account(s) and Renminbi cash account(s) of the relevant RQFII Access Fund will not form part of the liquidation assets of the RQFII or such PRC Broker(s) in liquidation in the PRC; and
6. if the RQFII Custodian is liquidated, (i) the assets contained in the RQFII securities account(s) of the relevant RQFII Access Fund will not form part of the liquidation assets of the RQFII Custodian in liquidation in the PRC, and (ii) the assets contained in the Renminbi cash account(s) of the relevant RQFII Access Fund will form part of the liquidation assets of the RQFII Custodian in liquidation in the PRC and the RQFII Access Fund will become an unsecured creditor for the amount deposited in the Renminbi cash account(s).

The Stock Connect

The Stock Connect is a securities trading and clearing links program developed by HKEX, SSE and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Stock Connect Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SSE by routing orders to SSE. Under the Southbound Trading Link investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Stock Connect commenced trading on 17 November 2014.

Under the Stock Connect, the Stock Connect Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the “risk alert board”.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect will initially be subject to a maximum cross-boundary investment quota (“Aggregate Quota”), together with a daily quota (“Daily Quota”). Northbound trading and Southbound trading will be subject to a separate set of Aggregate and Daily Quota. The Northbound Aggregate Quota caps the absolute amount of fund inflow into the PRC. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE securities.

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, the Stock Connect Funds may be subject to new fees arising from trading of China A Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Fund's assets in the PRC through its Global Custody Network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

Investment Thresholds for RQFII Access Funds and Stock Connect Funds

The RQFII Access Funds and Stock Connect may invest no more than 10% of the relevant fund's total assets in the PRC via the RQFII Quota and Stock Connect as applicable. For the avoidance of doubt, the RQFII Access Funds and Stock Connect Funds that have flexibility to use both RQFII and Stock Connect may invest no more than 10% of the relevant fund's total assets in the PRC via RQFII Quota and Stock Connect in aggregate.

RISK MANAGEMENT

The Management Company is required by regulation to employ a risk management process in respect of the Funds, which enables it to monitor accurately and manage the global exposure from financial derivative instruments ("global exposure") which the Target Fund gains as a result of its strategy. The Company uses a methodology known as commitment approach to calculate Target Fund's global exposure. The commitment approach is a methodology that aggregates the underlying market or notional values of financial derivative instruments to determine the degree of global exposure of Target Fund to financial derivative instruments.

Pursuant to the 2010 Law, the global exposure for Target Fund under the Commitment Approach must not exceed 100% of the Target Fund's Net Asset Value

INVESTMENT AND BORROWING POWERS AND RESTRICTIONS

Investment and Borrowing Powers

1. The Company's Articles of Association permit it to invest in transferable securities and other liquid financial assets, to the full extent permitted by Luxembourg law. The Articles have the effect that, subject to the law, it is at the Company's directors' discretion to determine any restrictions on investment or on borrowing or on the pledging of the Company's assets.

The Company's articles of association permit the subscription, acquisition and holding of securities issued or to be issued by one or more other fund of the Company under the conditions set forth by Luxembourg laws and regulations.

Investment and Borrowing Restrictions

2. The following restrictions of Luxembourg law and (where relevant) of the Company's directors currently apply to the Company:
 - 2.1 The investments of the Target Fund shall consist of:
 - 2.1.1 Transferable securities and money market instruments admitted to official listings on regulated stock exchanges in Member States of the European Union (the "EU");
 - 2.1.2 Transferable securities and money market instruments dealt in on other regulated markets in Member States of the EU, that are operating regularly, are recognised and are open to the public;
 - 2.1.3 Transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American continents and Africa;
 - 2.1.4 Transferable securities and money market instruments dealt in on other regulated markets that are operating regularly, are recognised and open to the public of any other country in Europe, Asia, Oceania, the American continents and Africa;
 - 2.1.5 Recently issued transferable securities and money market instruments provided that the terms of the issue

- include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in 2.1.1 and 2.1.3 or regulated markets that are operating regularly, are recognised and open to the public as specified in 2.1.2 and 2.1.4 and that such admission is secured within a year of issue,
- 2.1.6 Units of UCITS and/or other undertakings for collective investment (“UCIs”) within the meaning of Article 1(2), points (a) and (b) of Directive 2009/65/EC, as amended, whether they are situated in a Member State or not, provided that:
- such other UCIs are authorised under laws which provide that they are subject to supervision considered by 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 the other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
 - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - no more than 10% of the UCITS’ or the other UCIs’ assets (or of the assets of any sub-fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs.
- 2.1.7 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 an EU Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- 2.1.8 Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market; and/or financial derivative instruments dealt in OTC derivatives, provided that:
- the underlying consists of instruments described in sub-paragraphs 2.1.1 to 2.1.7 above and 2.1.9 below, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - 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;
- 2.1.9 Money market instruments other than those dealt in on a regulated market, which fall under Article 1 of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
 - issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs 2.1.1, 2.1.2 or 2.1.3 above; or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least €10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2.2 Furthermore, the Target Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in sub-paragraph 2.1.1 to 2.1.9.

2.3 The Target Fund may acquire the units of other funds in the Company, UCITS and/or other UCIs referred to in paragraph 2.1.6. The Target Fund's aggregate investment in UCITS, other funds in the Company and other UCIs will not exceed 10% of its net assets in order that the total funds of the Company are deemed eligible investments for other UCITS funds.

When the Target Fund has acquired shares of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph 2.6.

When the Target Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Company on its investment in the units of such other UCITS and/or UCIs.

2.4 When the Target Fund invests in shares of another fund in the Company (the "fund"):

- The fund may not itself invest in the Target Fund;
- the fund may not invest more than 10% of its net assets in units of the Target Fund (as set out in paragraph 2.3 above);
- any voting rights which may be attached to the shares of the fund will be suspended for the Target Fund for the duration of the investment;
- any management fees or subscription or redemption fees payable in relation to the fund may not be charged to the Target Fund; and
- the net asset value of the shares of the fund may not be considered for the purpose of the requirement that the capital of the Company should be above the legal minimum as specified in the 2010 Law, currently €1,250,000.

2.5 The Target Fund may hold ancillary liquid assets.

2.6 The Target Fund may not invest in any one issuer in excess of the limits set out below:

2.6.1 Not more than 10% of the Target Fund's net assets may be invested in transferable securities or money market instruments issued by the same entity.

2.6.2 Not more than 20% of the Target Fund's net assets may be invested in deposits made with the same entity.

2.6.3 By way of exception, the 10% limit stated in the first paragraph of this section may be increased to:

- a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong;
- a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond holders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. When the Target Fund invests more than 5% of its net assets in the bonds referred to in this paragraph and issued by one issuer, the total value of these investments may not exceed 80% of the value of the net assets of the Target Fund.

2.6.4 The total value of the transferable securities or money market instruments held by the Target Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments limits referred to in the two indents of paragraph 2.6.3 above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 2.6.1 to 2.6.4 above, the Target Fund may not combine:

- investments in transferable securities or money market instruments issued by a single entity; and/or
- deposits made with a single entity; and/or
- exposures arising from OTC derivative transactions undertaken with a single entity, in excess of 20% of its net assets.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

The limits provided for in sub-paragraphs 2.6.1 to 2.6.4 above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 2.6.1 to 2.6.4 shall under no circumstances exceed in total 35% of the net assets of the Target Fund.

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 entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 2.6.1 to 2.6.4 above.

The Target Fund may not invest cumulatively more than 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 2.6.1 and the three indents under 2.6.4 above.

Without prejudice to the limits laid down in paragraph 2.8 below, the limit of 10% laid down in sub-paragraph 2.6.1 above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of the Target Fund is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:

- 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;
- it is replicable;
- it is transparent, with the full calculation methodology and index performance published; and
- it is subject to independent valuation.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

By way of derogation, the Target Fund is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, by another member state of the OECD or public international bodies of which one or more EU Member States are members, provided that (i) such securities are part of at least six different issues and (ii) securities from any one issue do not account for more than 30% of the net assets of the Target Fund.

2.7 The Company may not invest in shares with voting rights enabling it to exercise significant influence over the management of the issuing body.

2.8 The Company may not:

2.8.1 acquire more than 10% of the shares with non-voting rights of one and the same issuer.

2.8.2 acquire more than 10% of the debt securities of one and the same issuer.

2.8.3 acquire more than 25% of the units of one and the same undertaking for collective investment.

2.8.4 acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 2.8.2, 2.8.3 and 2.8.4 above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

2.9 The limits stipulated in paragraphs 2.7 and 2.8 above do not apply to:

2.9.1 Transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;

2.9.2 Transferable securities and money market instruments issued or guaranteed by a non-EU Member State;

2.9.3 Transferable securities and money market instruments issued by public international institutions of which one or more EU Member States are members;

2.9.4 Transferable securities held by the Target Fund in the capital of a company incorporated in a non-Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Target Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its

investment policy the company from the non-Member State complies with the limits laid down in Articles 43, 46 and 48(1) and (2) of the 2010 Law. Where the limits set in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 shall apply mutatis mutandis; and

2.9.5 Transferable securities held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at shareholders' request exclusively on its or their behalf.

2.10 The Company may always, in the interest of the shareholders, exercise the subscription rights attached to securities, which form part of its assets.

When the maximum percentages stated in paragraphs 2.2 through 2.8 above are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its shareholders.

2.11 The Target Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Company may acquire for the account of the Target Fund foreign currency by way of back-to-back loan. Any repayment of monies borrowed, together with accrued interest, shall be paid out of the assets of the Target Fund.

2.12 The Company may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 2.1.6, 2.1.8 and 2.1.9 above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.

2.13 The Company undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 2.1.6, 2.1.8 and 2.1.9 above; provided that this restriction shall not prevent the Company from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to above.

2.14 The Company's assets may not include precious metals or certificates representing them, commodities, commodities contracts, or certificates representing commodities.

2.15 The Company may not purchase or sell real estate or any option, right or interest therein, provided that 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.

2.16 The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the shares are marketed.

3. Financial Techniques and Instruments

3.1 The Company must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

3.2 In addition, the Company is authorised to employ techniques and instruments relating to transferable securities and to money market instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for the purpose of efficient portfolio management or for hedging purposes.

3.3 When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the 2010 Law.

Under no circumstances shall these operations cause the Company to diverge from its investment policies and investment restrictions.

3.4 The Company will ensure that the global exposure of the underlying assets shall not exceed the total net value of the Target Fund. The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs 2.6.1 to 2.6.4 above.

- When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.
- The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

3.5 Efficient Portfolio Management – Other Techniques and Instruments

In addition to the investments in financial derivatives instruments, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions set out in the CSSF Circular 08/356, as amended from time to time, and ESMA Guidelines ESMA/2012/832EL, such as repurchase/reverse repurchase transactions, (“repo transactions”) and securities lending. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including financial derivatives instruments which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- 3.5.1 They are economically appropriate in that they are realised in a cost-effective way;
- 3.5.2 They are entered into for one or more of the following specific aims:
 - (a) reduction of risk;
 - (b) reduction of cost;
 - (c) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the Target Fund and the risk diversification rules applicable to them;
- 3.5.3 Their risks are adequately captured by the risk management process of the Company; and
- 3.5.4 They cannot result in a change to the Target Fund’s declared investment objective or add significant supplementary risks in comparison to the general risk policy as described in the Target Fund’s Prospectus and relevant key investor information document.

Techniques and instruments (other than financial derivatives instruments) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

Moreover those transactions may be carried out for 100% of the assets held by the Target Fund provided (i) that their volume is kept at an appropriate level or that the Company is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations; and (ii) that these transactions do not jeopardise the management of the Company’s assets in accordance with the investment policy of the Target Fund. Risks shall be monitored in accordance with the risk management process of the Company.

As part of the efficient portfolio management techniques the Target Fund may underwrite or sub-underwrite certain offerings from time to time through the Target Fund Manager. The Management Company will seek to ensure that the Target Fund will receive the commissions and fees payable under such contracts and all investments acquired pursuant to such contracts will form part of the Target Fund’s assets. Under the Luxembourg regulation, there is no requirement to require a prior consent of the trustee/depository.

3.6 Securities lending transactions

The Company may enter into securities lending transactions provided that it complies with the following rules:

- 3.6.1 The Company may lend securities either directly or through a standardised system organised by a recognised clearing institution or a lending program organised by a financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in EU law and specialised in this type of transactions;
- 3.6.2 The borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- 3.6.3 Net exposures (i.e. the exposures of the Target Fund less the collateral received by the Target Fund) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in article 43(2) of the 2010 Law.
- 3.6.4 As part of its lending transactions, the Company must receive collateral, the market value of which, shall, at all times, be equal to at least the market value of the securities lent plus a premium;
- 3.6.5 Such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through an intermediary referred to under 3.6.1 above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. The intermediary may, instead of the borrower, provide to the UCITS collateral in lieu of the borrower; and
- 3.6.6 The Company must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.

The Company shall disclose the global valuation of the securities lent in the annual and semi-annual reports. Please refer also to paragraph 11 in Appendix C of the Target Fund's Prospectus for information on additional requirements pursuant to the UCITS Directive in relation to the reuse of assets held in custody by the Depositary.

3.7 Repo transactions

The Company may enter into:

- repurchase transactions which consist of the purchase or sale of securities with provisions reserving the seller the right or the obligation to repurchase from the buyer securities sold at a price and term specified by the two parties in their contractual arrangement; and
- reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Company the obligation to return the securities received under the transaction.

3.7.1 The Company can act either as buyer or seller in repo transactions. Its involvement in such transactions is however subject to the following rules:

- (a) the fulfilment of the conditions 3.6.2 and 3.6.3;
- (b) during the life of a repo transaction with the Company acting as purchaser, the Company shall not sell the securities which are the object of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless the Company has other means of coverage;
- (c) the securities acquired by the Company under a repo transaction must conform to the Target Fund's investment policy and investment restrictions and must be limited to:
 - (i) short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;
 - (ii) bonds issued by non-governmental issuers offering an adequate liquidity;
 - (iii) assets referred to under 3.8.2(b), 3.8.2(c) and 3.8.2(d) below; and

The Company shall disclose the total amount of the open repo transactions on the date of reference of its annual and interim reports.

3.7.2 Where the Company enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

3.7.3 Where the Company enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

3.8 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

3.8.1 Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("Collateral"), such as a repo transaction or securities lending arrangement, must comply with the following criteria:

- (a) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Article 48 of the 2010 Law;
- (b) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
- (c) issuer credit quality: Collateral should be of high quality;
- (d) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (e) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Target Fund's net asset value. When the Target Fund is exposed to different counterparties, the different baskets of Collateral should be aggregated to calculate

the 20% limit of exposure to a single issuer; and

- (f) immediately available: Collateral must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

3.8.2 Subject to the above criteria, Collateral must comply with the following criteria:

- (a) liquid assets such as cash, short term bank deposits, money market instruments as defined in Directive 2007/16/ EC of 19 March 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;
- (b) bonds issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and bodies of a community, regional or world-wide scope;
- (c) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;
- (d) shares or units issued by UCITS investing mainly in bonds/ shares mentioned under 3.8.2(e) and 3.8.2(f) hereunder;
- (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
- (f) shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.

3.8.3 Where there is title transfer, the Collateral received should be held by the Depositary, or its agent.

3.8.4 When the Collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in section 2.6 above.

3.8.5 During the duration of the agreement, non-cash Collateral cannot be sold, re-invested or pledged.

3.8.6 Cash received as Collateral may only be:

- (a) placed on deposit with entities prescribed in Article 50(f) of Directive 2009/65/EC;
- (b) invested in high quality government bonds;
- (c) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and
- (d) invested in short term money market funds as defined in the ESMA Guidelines on a common definition of European Money Market Funds.

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

3.8.7 The Company has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Company that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

3.8.8 Risk and potential Conflicts of Interest associated with OTC derivatives and efficient portfolio management

- (a) There are certain risks involved in OTC derivative transactions, efficient portfolio management activities and the management of Collateral in relation to such activities.
- (b) The combined counterparty risk on any transaction involving OTC derivative instruments or efficient portfolio management techniques may not exceed 10% of the assets of the Target Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing on the EU. This limit is set at 5% in any other case.
- (c) The Company's delegates will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for these transactions.

UNDERSTANDING THE RISKS OF THE FUND AND THE TARGET FUND

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

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

	GENERAL RISKS OF THE FUND
Market risk	Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
Fund management risk	This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
Performance risk	This Fund is a feeder fund which invests in another collective investment scheme, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.
Inflation risk	This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Loan financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.
Operational risk	Operational risk is the risk of loss due to the breakdown, deficiencies or weaknesses in the operational support functions resulting in the operations or internal control processes producing an insufficient degree of customer quality or internal control by the Manager. Operational risk is typically associated with human error, system failure, fraud and inadequate or defective procedures and controls.

GENERAL RISKS OF THE TARGET FUND**Derivatives - General**

In accordance with the investment limits and restrictions set out in *“Investment and Borrowing Restrictions”* of the Target Fund in this Information Memorandum, the Target Fund may use derivatives to hedge market, interest rate and currency risk, and for the purposes of efficient portfolio management. The Target Fund may use derivative strategies for investment purposes as described in the section headed *“About the Target Fund” – “Investment Objectives and Policies”* as set out in this Information Memorandum.

The use of derivatives may expose the Target Fund to a higher degree of risk. These risks may include credit risk with regard to counterparties with whom the Target Fund trade, the risk of settlement default, lack of liquidity of the derivatives, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Target Fund is seeking to track and greater transaction costs than investing in the underlying assets directly. Some derivatives are leveraged and therefore may magnify or otherwise increase investment losses to the Target Fund.

In accordance with standard industry practice when purchasing derivatives, the Target Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require the Target Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty’s own assets and, being freely exchangeable and replaceable, the Target Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the Target Fund’s obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Target Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Fund volatility. Whilst the Target Fund will not borrow money to leverage they may for example take synthetic short positions through derivatives to adjust their exposure, always within the restrictions provided for in section *“Investment and Borrowing Restrictions”* of the Target Fund in this Information Memorandum.

The Target Fund may enter into long positions executed using derivatives (synthetic long positions) such as futures positions including currency forwards.

Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty’s provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where the Target Fund’s credit exposure to its counterparty under a derivative contract is not fully collateralised but the Target Fund will continue to observe the limits set out in section *“Investment and Borrowing Restrictions”* of the Target Fund in this Information Memorandum. The use of derivatives may also expose the Target Fund to legal risk, which is the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable. Where derivative instruments are used in this manner the overall risk profile of the Target Fund may be increased.

Accordingly the Company will employ a risk-management process which enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Target Fund. The Management Company uses *“Commitment Approach”* to calculate the Target Fund’s global

	GENERAL RISKS OF THE TARGET FUND
	exposure ensuring the Target Fund complies with the investment restrictions set out in section “ <i>Investment and Borrowing Restrictions</i> ” of the Target Fund in this Information Memorandum.
Securities lending	The Target Fund may engage in securities lending. The Target Fund engaging in securities lending will have a credit risk exposure to the counterparties to any securities lending contract. The Target Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the Target Fund. The Company intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Target Fund will have a credit risk exposure to the counterparties to the securities lending contracts.
Counterparty risk	The Target Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Target Fund. This would include the counterparties to any derivatives, repurchase/reverse repurchase agreement or securities lending agreement that it enters into. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure. The Target Fund mitigates much of its credit risk to its derivative counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any derivative is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Target Fund. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Target Fund maintains an active oversight of counterparty exposure and the collateral management process.
Counterparty risk to the Depositary	<p>The assets of the Company are entrusted to the Depositary for safekeeping. In accordance with the UCITS Directive, in safekeeping the assets of the Company, the Depositary shall: (a) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verify the ownership of such assets and maintain a record accordingly.</p> <p>The assets of the Company should be identified in the Depositary's books as belonging to the Company.</p> <p>Securities held by the Depositary should be segregated from other securities/assets of the Depositary in accordance with applicable law and regulation which mitigates but does not exclude the risk of non-restitution in the case of bankruptcy of the Depositary. The investors are therefore exposed to the risk of the Depositary not being able to fully meet its obligation to reconstitute all of the assets of the Company in the case of bankruptcy of the Depositary. In addition, the Target Fund's cash held with the Depositary may not be segregated from the Depositary's own cash/cash under custody for other clients of the Depositary, and the Target Fund may therefore rank as an unsecured creditor in relation thereto in the case of bankruptcy of the Depositary.</p> <p>The Depositary may not keep all the assets of the Company itself but may use a network of sub-custodians which are not always part of the same group of companies as the Depositary. Investors may be exposed to the risk of bankruptcy of the sub-custodians in circumstances where the Depositary may have no liability.</p> <p>The Target Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Target Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary may have no liability.</p>
Fund liability risk	The Company is structured as an umbrella fund with segregated liability between its funds. As a matter of Luxembourg law, the assets of the one fund will not be available

GENERAL RISKS OF THE TARGET FUND	
	to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability. As at the date of the Target Fund's Prospectus, the Company's directors are not aware of any such existing or contingent liability.
Market leverage	The Target Fund will not use borrowing to purchase additional investments but may be expected, via derivative positions, to obtain market leverage (gross market exposure, aggregating both long and synthetic short positions, in excess of net asset value). The Target Fund Manager will seek to make absolute returns from relative value decisions between markets ("this market will do better than that market"), as well as from directional views on the absolute return of markets ("this market is going to go up or down"). The extent of market leverage is likely to depend on the degree of correlation between positions. The higher the degree of correlation, the greater is the likelihood and probable extent of market leverage.
Repurchase and reverse repurchase agreements	Under a repurchase agreement the Target Fund sells a security to a counterparty and simultaneously agrees to repurchase the security back from the counterparty at an agreed price and date. The difference between the sale price and the repurchase price establishes the cost of the transaction. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the agreement. In a reverse repurchase agreement the Target Fund purchases an investment from a counterparty which undertakes to repurchase the security at an agreed resale price on an agreed future date. The Target Fund therefore bears the risk that if the seller defaults the Fund might suffer a loss to the extent that proceeds from the sale of the underlying securities together with any other collateral held by the Target Fund in connection with the relevant agreement may be less than the repurchase price because of market movements. The Target Fund cannot sell the securities which are the subject of a reverse repurchase agreement until the term of the agreement has expired or the counterparty has exercised its right to repurchase the securities.
Other risk	The Target Fund may be exposed to risks that are outside of their control – for example legal risks from investments in countries with unclear and changing laws or the lack of established or effective avenues for legal redress; the risk of terrorist actions; the risk that economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Company could be substantial and adverse.

SPECIFIC RISKS OF THE FUND	
Concentration risk	The Fund is a feeder fund which invests in a single collective investment scheme. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions. We also are able to substitute the Target Fund with another fund with similar objective of the Fund if, in our opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval with prior notification to SC.
Liquidity risk	This is the risk that the units of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of units of the Target Fund. The Target Fund Manager may suspend the realisation of units, or delay the payment of realisation proceeds in respect of any realisation request received, during any periods in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, we will maintain a sufficient liquidity level for the purposes of meeting repurchase requests.
Country risk	Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund to fall.
Currency risk	<p>As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p> <p><i>Currency risk at the Fund level</i></p> <p>The impact of the exchange rate movement between the Base Currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the Base Currency of the Fund.</p> <p><i>Currency risk at the Class level</i></p> <p>The impact of the exchange rate movement between the Base Currency of the Fund and the currency of the respective Classes may result in a depreciation of your holdings as expressed in the Base Currency of the Fund.</p> <p><i>Currency risk at the Hedged Class level</i></p> <p>Currency hedging reduces the effect of exchange rate movements for the Hedged Class, but it does not entirely eliminate currency risk between the Hedged Class and the Base Currency (not a perfect hedge). Hence, the unhedged portion of the respective Hedged Class will be affected by the exchange rate movements and it may cause fluctuation of NAV of the respective Hedged Class. You should note however, that if the exchange rate moves favourably, the Fund would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum investment size of entering into a forward contract and cost of hedging which may affect returns of the respective Hedged Class.</p>
Target Fund Manager risk	As a feeder fund, the Fund invests into the Target Fund which is managed by the Target Fund Manager. We have no control over the investment technique and knowledge, operational controls and management of the Target Fund Manager. In the event of any mismanagement of the Target Fund, the NAV of the Fund, which invests

	SPECIFIC RISKS OF THE FUND
	substantially all of its assets into the Target Fund, would be affected adversely.

SPECIFIC RISKS OF THE TARGET FUND	
Smaller capitalisation companies	<p>The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the net asset value of the Target Fund's shares.</p>
Equity risk	<p>The values of equities fluctuate daily and the Target Fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events.</p>
Emerging market	<p>Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. Amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets.</p> <p>Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems.</p> <p>In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.</p> <p>Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.</p> <p>The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries.</p> <p>These factors may adversely affect the timing and pricing of the Target Fund's acquisition or disposal of securities.</p> <p>Practices in relation to the settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Company will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if the Target Fund is unable to</p>

SPECIFIC RISKS OF THE TARGET FUND	
	<p>acquire or dispose of a security. The Depositary is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Luxembourg law and regulation.</p> <p>In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the Target Fund could suffer loss arising from these registration problems.</p>
Restriction on foreign investments	<p>Some countries prohibit or impose substantial restrictions on investments by foreign entities such as the Target Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of the Target Fund. For example, the Target Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Target Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which the Target Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where the Target Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Target Fund of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to the Target Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. The Target Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Target Fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If the Target Fund acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in the Target Fund (including management fees) and, indirectly, the expenses of such closed end investment companies. In addition, certain countries such as India and the PRC implement quota restrictions on foreign ownership of certain onshore investments. These investments may at times be acquired only at market prices representing premiums to their net asset values and such premiums may ultimately be borne by the Target Fund. The Target Fund may also seek, at its own cost, to create its own investment entities under the laws of certain countries.</p>
Investments in the PRC	<p>Investments in the PRC are currently subject to certain additional risks, particularly regarding the ability to deal in securities in the PRC. Dealing in certain PRC securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the Company may determine from time to time that making direct investments in certain securities may not be appropriate for a UCITS. As a result, the Company may choose to gain exposure to PRC securities indirectly and may be unable to gain full exposure to the PRC markets.</p>
PRC economics risk	<p>The PRC is one of the world's largest global emerging markets. The economy in the PRC, which has been in a state of transition from a planned economy to a more market orientated economy, differs from the economies of most developed countries and investing in the PRC may be subject to greater risk of loss than investments in</p>

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	<p>developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down, greater control of foreign exchange and more limitations on foreign investment policy than those typically found in a developed market. There may be substantial government intervention in the PRC economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests. The PRC government and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions, which may affect the trading of PRC securities. The companies in which the Target Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies in more developed markets. In addition, some of the securities held by the Target Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of withholding or other taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may have an unpredictable impact on the TargetFund's investments and increase the volatility and hence the risk of a loss to the value of an investment in the Target Fund.</p> <p>As with any fund investing in an emerging market country, the Target Fund investing in the PRC may be subject to greater risk of loss than a fund investing in a developed market country. The PRC economy has experienced significant and rapid growth in the past 20 years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the PRC economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth of the PRC economy. Furthermore, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities markets in PRC and therefore on the performance of the Target Fund.</p> <p>These factors may increase the volatility of the Target Fund (depending on its degree of investment in the PRC) and hence the risk of loss to the value of your investment.</p>
PRC political risks	Any political changes, social instability and adverse diplomatic developments which may take place in, or in relation to, the PRC could result in significant fluctuation in the price of China A Shares and/or China onshore bonds.
Legal system of the PRC	The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, because of the limited volume of published cases and judicial interpretation and their non-binding nature, the interpretation and enforcement of these regulations involves significant uncertainties. Given the short history of the PRC system of commercial laws, the PRC regulatory and legal framework may not be as well developed as those of developed countries. Such regulations also empower the CSRC and SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the Target Fund's onshore business operations or the ability of the Target Fund to acquire China A Shares and/or China onshore bonds.
Onshore versus offshore Renminbi risk	The Renminbi, the lawful currency of the PRC, is not currently a freely convertible currency and is subject to exchange control imposed by the PRC government. Such

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	<p>control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as the Target Fund may invest in the PRC, it will be subject to the risk of the PRC government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the relevant Fund to satisfy payments to investors.</p> <p>The exchange rate used for the Target Fund transactions in Renminbi is in relation to the offshore Renminbi ("CNH"), not the onshore Renminbi ("CNY"), save for those made via the RQFII Quota. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the PRC government from time-to-time as well as other external market forces.</p>
Risks applicable to RQFII investing	<p>RQFII Risk</p> <p>The RQFII system was introduced in 2011 and as such, the regulations which regulate investments through RQFIIs in the PRC and associated processes, such as the repatriation of capital from RQFII investments, are relatively new. Repatriations of Renminbi by RQFIIs are currently permitted once a day and are not subject to repatriation restrictions or prior regulatory approval. The application and interpretation of the relevant investment regulations are relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. It is not possible to predict the future development of the RQFII system. Any restrictions on repatriation imposed in respect of the relevant RQFII Access Fund's RQFII investments may have an adverse effect on the RQFII Access Fund's ability to meet redemption requests. Any change in the RQFII system generally, including the possibility of the RQFII losing its RQFII status, may affect the relevant RQFII Access Fund's ability to invest in eligible securities in the PRC directly through the relevant RQFII. In addition, should the RQFII status be suspended or revoked, the relevant RQFII Access Fund's performance may be adversely affected as the relevant RQFII Access Fund may be required to dispose of its RQFII eligible securities holdings.</p> <p>RQFII QUOTA ALLOCATION AND CONFLICT RISK</p> <p>The RQFII will assume dual roles as the investment adviser/sub-investment adviser of the relevant RQFII Access Fund and the RQFII Licence Holder. The RQFII may act as investment adviser or investment sub-adviser for several RQFII Access Funds that may benefit from the allocation of a RQFII Quota. Situations may arise where the RQFII does not have sufficient RQFII Quota to satisfy all RQFII Access Funds and it allocates RQFII Quota to a particular RQFII Access Fund or RQFII Access Funds at the expense of others. There is no assurance that the RQFII will make available RQFII Quota that is sufficient for a RQFII Access Fund's investment at all times. In extreme circumstances, the RQFII Access Fund may incur substantial losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy due to insufficiency of RQFII Quota. In addition, the size of the RQFII Quota may be reduced or cancelled by the SAFE if the RQFII is unable to use its RQFII quota effectively within one year since the quota is granted. If the SAFE reduces the RQFII's Quota, it may affect the allocation to the RQFII Access Funds and accordingly the RQFII's ability to effectively pursue the investment strategy of the relevant RQFII Access Fund.</p> <p>RQFII Investment Restrictions Risk</p> <p>Although the RQFII does not anticipate that RQFII investment restrictions will impact on the ability of the RQFII Access Funds to achieve their investment objectives, investors should note that the relevant PRC laws and regulations may limit the ability of a RQFII to acquire China A Shares in certain PRC issuers from time to time. This may occur in a number of circumstances, such as (i) where an underlying foreign investor such as the RQFII holds in aggregate 10% of the total share capital of a listed PRC issuer (regardless of the fact that the RQFII may hold its interest on behalf of a number of different</p>

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ultimate clients), and (ii) where the aggregated holdings in China A Shares by all underlying foreign investors (including other QFIs and RQFIs and whether or not connected in any way to the RQFII Access Funds) already equal 30% of the total share capital of a listed PRC issuer. In the event that these limits are exceeded the relevant RQFIIs will be required to dispose of the China A Shares in order to comply with the relevant requirements and, in respect of (ii), each RQFII will dispose of the relevant China A Shares on a “last in first out” basis. Such disposal will affect the capacity of the relevant RQFII Access Fund in making investments in China A Shares through the RQFII.

Suspensions, Limits and other Disruption Affecting Trading of China A Shares

Liquidity for China A Shares will be impacted by any temporary or permanent suspensions of particular stocks imposed from time to time by the Shanghai and/or Shenzhen stock exchanges or pursuant to any regulatory or governmental intervention with respect to particular investments or the markets generally. Any such suspension or corporate action may make it impossible for the relevant RQFII Access Fund to acquire or liquidate positions in the relevant stocks as part of the general management and periodic adjustment of the RQFII Access Fund’s investments through the RQFII or to meet redemption requests. Such circumstances may also make it difficult for the net asset value of the RQFII Access Fund to be determined and may expose the RQFII Access Fund to losses.

In order to mitigate the effects of extreme volatility in the market price of China A Shares, the Shanghai and Shenzhen stock exchanges currently limit the amount of fluctuation permitted in the prices of China A Shares during a single trading day. The daily limit is currently set at 10% and represents the maximum amount that the price of a security (during the current trading session) may vary either up or down from the previous day’s settlement price. The daily limit governs only price movements and does not restrict trading within the relevant limit. However, the limit does not limit potential losses because the limit may work to prevent a liquidation of any relevant securities at the fair or probable realisation value for such securities which means that the relevant RQFII Access Fund may be unable to dispose of unfavourable positions. There can be no assurance that a liquid market on an exchange would exist for any particular China A Share or for any particular time.

Counterparty Risk To The RQFII Custodian And Other Depositories for PRC Assets

Any assets acquired through the RQFII Quota will be maintained by the RQFII Custodian, in electronic form via the RQFII securities account(s) and any cash will be held in Renminbi cash account(s) with the RQFII Custodian. RQFII securities account(s) and Renminbi cash account(s) for the relevant RQFII Access Fund in the PRC are maintained in accordance with market practice.

Whilst the assets held in such accounts are segregated and held separately from the assets of the RQFII and belong solely to the relevant RQFII Access Fund, it is possible that the judicial and regulatory authorities in the PRC may interpret this position differently in the future. The relevant RQFII Access Fund may also incur losses due to the acts or omissions of the RQFII Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

Cash held by the RQFII Custodian in the Renminbi cash account(s) will not be segregated in practice but will be a debt owing from the RQFII Custodian to the relevant RQFII Access Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the RQFII Custodian. In the event of insolvency of the RQFII Custodian, the relevant RQFII Access Fund will not have any proprietary rights to the cash deposited in the cash account opened with the RQFII Custodian, and the RQFII Access Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the RQFII Custodian. The RQFII Access Fund may face difficulties 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 relevant RQFII Access Fund will lose some or all of its cash.

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The RQFII selects brokers in the PRC (“PRC broker(s)”) to execute transactions for the relevant RQFII Access Fund in markets in the PRC. There is a possibility that the RQFII may only appoint one PRC broker for each of the Shenzhen Stock Exchange and the SSE, which may be the same broker. While up to three PRC brokers can be appointed for each of the Shenzhen and Shanghai stock exchanges, as a matter of practice, it is likely that only one PRC broker will be appointed in respect of each stock exchange in the PRC as a result of the requirement in the PRC that securities are sold through the same PRC broker through which they were originally purchased.

If, for any reason, the RQFII is unable to use the relevant broker in the PRC, the operation of the relevant RQFII Access Fund may be adversely affected. The RQFII Access Fund may also incur losses due to the acts or omissions of any of the PRC broker(s) in the execution or settlement of any transaction or in the transfer of any funds or securities.

If a single PRC broker is appointed, the relevant RQFII Access Fund may not pay the lowest commission available in the market. However, the RQFII shall, in the selection of PRC brokers, have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards.

There is a risk that the relevant RQFII Access Fund may suffer losses from the default, insolvency or disqualification of a PRC broker. In such event, the relevant RQFII Access Fund may be adversely affected in the execution of transactions through such PRC Broker. As a result, the net asset value of the relevant RQFII Access Fund may also be adversely affected. To mitigate the Company’s exposure to the PRC broker(s), the RQFII employs specific procedures to ensure that each PRC broker selected is a reputable institution and that the credit risk is acceptable to the Company.

Remittance and Repatriation of Renminbi

Repatriations of Renminbi by RQFIIs are currently permitted once a day and are not subject to repatriation restrictions, any lock-up period or prior regulatory approval; although there are restrictions on the movement of onshore Renminbi offshore and authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the RQFII Custodian. However, there is no assurance that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future.

Further, such changes to the PRC rules and regulations may be applied retroactively. Any restrictions on repatriation imposed in respect of the relevant RQFII Access Fund’s cash may have an adverse effect on the RQFII Access Fund’s ability to meet redemption requests.

Furthermore, as the RQFII Custodian’s review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII Custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. The actual time required for the completion of the relevant repatriation will be beyond the RQFII’s control.

Taxation Risks

The PRC tax authorities announced on 14 November 2014 that gains derived from China A Shares by RQFII investors would be temporarily exempted from PRC taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in PRC ‘land-rich’ companies, however, please note that the temporary exemption does not apply to China onshore bonds. The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and, in the worst case, retrospectively. In addition the PRC tax authorities may implement other tax rules with retrospective effect which may adversely affect the Target Fund. If the temporary exemption is withdrawn the relevant RQFII Access Fund via the RQFII would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would

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	<p>eventually be borne by investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, such benefits will also be passed to investors.</p> <p>As set out above the temporary exemption from PRC taxation does not, subject to further clarification by the PRC tax authorities, extend to gains derived from China onshore bonds. A RQFII Access Fund and thus its investors, therefore, may be subject to PRC taxation in respect of such gains. However, this liability may be mitigated under the terms of an applicable tax treaty, and any benefits to the relevant RQFII Access Fund will be passed to shareholders.</p> <p>The China/Luxembourg tax treaty provides for exemption from PRC capital gains taxation on sales of China A Shares/China onshore bonds except for China A Shares issued by 'land-rich' companies. The relevant RQFII Access Fund is expected to be eligible for the China/Luxembourg tax treaty. Consequently the relevant RQFII Access Fund is expected to be able to obtain exemption from PRC capital gains taxation on the sale of China A Shares/China onshore bonds except for China A Shares issued by 'land-rich' companies. However, it should be noted that the tax treaty position for the RQFII Access Funds remains untested in practice. There remains a risk, therefore, that the PRC tax authorities may clarify the in-scope taxation gains arising from China onshore bonds, consider the relevant RQFII Access Fund not to be eligible for the China/Luxembourg tax treaty, and seek to tax capital gains accordingly.</p> <p>There is also a risk that the PRC tax authorities could characterize gains on Chinese onshore bonds as interest for PRC tax purposes. Such interest might not be eligible for exemption from PRC taxation under the China/Luxembourg tax treaty.</p>
<p>Risk applicable to Stock Connect</p>	<p>Quota Limitations</p> <p>The Stock Connect is subject to quota limitations, further details of which are set out in the section "Investment Objectives and Policies" of the Target Fund above. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Stock Connect Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the relevant Stock Connect Fund may not be able to effectively pursue its investment strategy.</p> <p>Legal/Beneficial Ownership</p> <p>The SSE shares in respect of the Stock Connect Funds are held by the Depository /sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. The precise nature and rights of the Stock Connect Funds as the beneficial owners of the SSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Stock Connect Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE shares will be regarded as held for the beneficial ownership of the Stock Connect Funds or as part of the general assets of HKSCC available for general distribution to its creditors.</p> <p>Clearing and Settlement Risk</p> <p>HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.</p> <p>As the national central counterparty of the PRC's securities market, ChinaClear</p>

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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. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should 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 Stock Connect Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

Each of the SEHK and SSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Stock Connect Fund's ability to access the PRC market will be adversely 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 the Stock Connect Funds cannot carry out any China A Shares trading via the Stock Connect. The Stock Connect 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 the SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Stock Connect Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Stock Connect Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted 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.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. 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 fail to function properly, trading in both markets through the program could be disrupted. The relevant Stock Connect Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be

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abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Stock Connect Funds may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Stock Connect Funds, for example, if the Investment Adviser wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund

Investment in SSE Shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of Stock Connect Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been 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 respect of SSE Shares via 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.

Therefore the Stock Connect Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

DEALING INFORMATION

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

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

WHO IS ELIGIBLE TO INVEST?

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

HOW TO PURCHASE UNITS?

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

Individual or Jointholder	Corporation
<ul style="list-style-type: none"> • account opening form; • Suitability assessment form; • Personal data protection notice form; • A copy of identity card or passport or any other document of identification. 	<ul style="list-style-type: none"> • account opening form; • Suitability assessment form; • Personal data protection notice form; • Certified true copy of memorandum and articles of association*; • Certified true copy of certificate of incorporation*; • Certified true copy of form 24 and form 49*; • Certified true copy of form 8, 9, 13, 20 and 44 (where applicable)*; • Latest audited financial statement; • Board resolution relating to the investment; • A list of the authorised signatories; • Specimen signatures of the respective signatories. <p><i>* or any other equivalent documentation issued by the authorities.</i></p>

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- Bank Transfer

You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer, and include your name in the transaction description for our reference. Payment must be made in the currency of the Class which you intend to invest into. You may obtain our bank account details from our online download center at www.affinhwangam.com.

- Cheque, Bank Draft or Money Order

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

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

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

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

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

Any purchase request received or deemed to have been received by us after 3.30p.m. will be transacted on the next Business Day (or “T + 1 day”), unless a prior arrangement is made to our satisfaction.

- Sale of Units will be honoured upon receipt of complete set of documents together with the proof of payments.
- Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:-
 - withdraw your Units of the Fund; or
 - transfer your Units to a non-US Person;within thirty (30) days from the date of the said notice.

HOW TO REPURCHASE UNITS?

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

USD Class	MYR Class	MYR-Hedged Class	SGD-Hedged Class	AUD-Hedged Class
10,000 Units	60,000 Units	60,000 Units	10,000 Units	10,000 Units

If you insist on making a repurchase request knowing that after the transaction you will hold less than the minimum holdings of Units, you may be required to make an application to repurchase all your Units for that particular Class. At our discretion, we may reduce the minimum Units of repurchase.

- In the transaction form, you may choose to receive the repurchase proceeds in a manner of cheque (for MYR Class and MYR-Hedged Class) or bank transfer (for all Classes). If cheque is your option, we will issue the cheque in your name. If bank transfer is your option, proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.
- Any incurred bank charges and other bank fees due to a withdrawal by of cheque, bank transfer or other special arrangement method will be borne by you.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

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

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

Any repurchase request received after 3.30p.m. will be transacted on the next Business Day (or “T + 1 day”).

- Repurchase of Units must be made in terms of Units.
- Processing is subject to receipt of a complete transaction form and such other documents as may be required by us.

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

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

WHAT IS THE PRICING OF UNITS?

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

WHAT IS COOLING-OFF RIGHT?

- You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application. You will be refunded for every Unit held based on the NAV per Unit and the Sales Charge of the particular Class, on the day those Units were first purchased and you will be refunded within ten (10) days from the receipt of the cooling-off application.

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

WHAT ARE THE SWITCHING OPTIONS?

You are able to switch:

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

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

The process of the switching application is as below:

➤ **Switching between Classes of the Fund**

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

➤ **Switching from the Fund into other funds managed by AHAM**

You must complete a switching transaction form and submit it to us at or before the cut-off time of 3.30 p.m. on a Business Day (or "T day") together with relevant supporting documents, if any.

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

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

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. The transfer must be made in terms of Units. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holdings of Units to remain as a Unit Holder of a Class.

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

HOW DO I RECEIVE THE INCOME DISTRIBUTION?

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

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

Cash Payment Process

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

Reinvestment Process

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

WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in “Directory of Sales Offices” section.
- You may obtain a copy of the Information Memorandum, PHS and application forms from the abovementioned location. Alternatively, you may also visit our website at www.affinhwangam.com.

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 under the Companies Act, 1965 and began operations under the name Hwang-DBS Capital Berhad in 2001. In early 2014, AHAM was acquired by the Affin Banking Group (“Affin”) and hence, is now supported by a home-grown financial services conglomerate. Affin has over 39 years of experience in the financial industry which focuses on commercial, Islamic and investment banking services, money broking, fund management and underwriting of life and general insurance business. Meanwhile, AHAM has 15 years’ experience in the fund management industry. Additionally, AHAM is also 30% owned by Nikko Asset Management International Limited, a wholly-owned subsidiary of Tokyo-based Nikko Asset Management Co. Ltd, an Asian investment management franchise. AHAM offers a wide range of products, comprising conventional equity, balanced, bond, money market, capital guaranteed, capital protected, global, structured and feeder funds, as well as Shariah-compliant equity, Islamic money market and Islamic fixed income funds.

Our Role as the Manager

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

Our Investment Team

Our investment team comprises a group of portfolio managers who possess the necessary expertise and experience to undertake the fund management of its unit trust funds. The investment team will meet at least once a week or more should the need arise. The designated fund manager of the Fund is:-

Mr. David Ng Kong Cheong – Chief Investment Officer

Mr David joined AHAM in 2002 as Head of Equities and assumed the role of Chief Investment Officer in September 2006. He has been responsible for successfully steering AHAM’s investments through a tumultuous decade of multiple crisis. His astute and decisive guidance on broad investment strategies which includes interpreting market signals and making timely asset allocation calls has allowed AHAM to remain ahead of its peers. A decade later, he has built the investment team from just four (4) fund managers to a 40 strong group featuring an impressive resume across different investment specialties, coverage and geographies. Under his foresight and vision, the team has evolved from being equity-heavy to encompass strong local and regional multi-asset and sector investment capabilities. His absolute return investment philosophy and bottom-up stock selection technique has garnered recognition for AHAM with its multiple award wins, having been voted “CIO of the Year” for Malaysia by Asia Asset Management 2013 awards. Mr David’s philosophy of subscribing to the long-term, not taking excessive risk, and investing into quality throughout all the portfolios has set the blueprint for AHAM’s investments in years to come. He is well-known in the industry for his discipline, prudence and reasonable attitude to investing. He graduated with a double degree in Bachelor of Commerce (Accounting) and Bachelor of Law from Monash University in Melbourne, Australia and is also a Chartered Financial Analyst (CFA) charterholder.

ABOUT THE TRUSTEE – HSBC (MALAYSIA) TRUSTEE BERHAD

The Trustee is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur.

Duties and Responsibilities of the Trustee

The Trustee’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the Act and the Guidelines. Apart from being the legal owner of the Fund’s assets, the Trustee is also responsible for ensuring that AHAM performs its duties and obligations in accordance with the provisions of the Deed, the Act and the Guidelines. In respect of monies paid by an investor for the application of units, the Trustee’s responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of repurchase request, the Trustee’s responsibility is discharged once it has paid the repurchase amount to AHAM.

Trustee's Delegate

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

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegate

For foreign asset:

The Hongkong and Shanghai Banking Corporation Limited
6/F, Tower 1,
HSBC Centre,
1 Sham Mong Road, Hong Kong.
Telephone No: (852)2288 6111

For local asset:

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

Anti-Money Laundering and Anti-Terrorism Financing Provisions

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

Statement of Disclaimer

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

Consent to Disclosure

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

Related-Party Transactions/Conflict of Interest

As Trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:-

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);

- 2) Where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing as permitted under the Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of unit holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

RELEVANT INFORMATION

SALIENT TERM OF THE DEED

Your Rights and Liabilities

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

- (a) To receive the distribution of income (if any), participate in any increase in the value of the Units and to other such rights and privileges as set out under the Deed;
- (b) To call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a Special Resolution; and
- (c) To receive quarterly and annual reports.

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

You are not liable to the followings:-

- (a) For any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto;
- (b) For any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the NAV of the Fund, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Provisions Regarding Unit Holders' Meetings

Quorum Required for Convening a Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders (irrespective of the Class of Units), whether present in person or by proxy, provided that if the Fund or a Class of Units has five (5) or less Unit Holders (irrespective of the Class of Units), the quorum required for a meeting of the Unit Holders of the Fund or a Class of Units shall be two (2) Unit Holders (irrespective of the Class of Units), whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in Circulation (irrespective of the Class of Units) of the Fund or the particular Class of Units, as the case may be, at the time of the meeting.

Unit Holders' Meeting convened by the Unit Holders

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

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders or Unit Holders of a particular Class of Units, as the case may be; and
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

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

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund; or
- (d) giving to the Trustee such directions as the meeting thinks proper;

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

Unit Holders' Meeting convened by the Manager or Trustee

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

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee pursuant to Clause 17.2.1 and 17.2.2 of the Deed shall be summoned by:

- (a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

Termination of the Fund

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

Termination of a Class of Units

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

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

We may not charge a Sales Charge at a rate higher than that disclosed in a prevailing information memorandum unless:-

- (a) we have notified the Trustee in writing of the effective date for the higher charge; and
- (b) a supplemental/replacement information memorandum in respect of the Fund setting out the higher charge is issued thereafter.

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

- (a) both the Trustee and the Manager have come to an agreement on the higher rate;
- (b) we have notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; and
- (c) a supplemental/replacement information memorandum stating the higher rate is issued thereafter.

GOODS AND SERVICES TAX

The Royal Malaysian Customs Department has announced the implementation of GST with effect from 1 April 2015 onwards pursuant to the Goods and Services Tax Act 2014. Collective investment schemes are generally exempted from GST. However, some fees, charges and expenses of the Fund are subject to GST which includes:

- Sales Charge;
- Repurchase Charge;
- Switching fee;
- Transfer fee;
- Management fee;
- Trustee fee; and
- Any other expenses of the Fund that may be subject to GST.

INCORRECT PRICING

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

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

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

POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS

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

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. In structuring the portfolio of the Fund, we will maintain sufficient liquid assets to ensure short term liquidity in the Fund to meet operating expenses.

UNCLAIMED MONIES

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

INVESTORS INFORMATION

How can I keep track of my contribution?

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

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

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

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

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

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

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

DIRECTORY OF SALES OFFICE

AFFIN HWANG ASSET MANAGEMENT BERHAD:

HEAD OFFICE

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

SELANGOR

A-7-G Jaya One
No. 72A, Jalan Universiti
46200, Petaling Jaya, Selangor
Tel: 03 - 7620 1290
Fax: 03 - 7620 1298

PENANG

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

PERAK

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

JOHOR

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

MELAKA

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

SABAH

Lot No. B-2-09, 2nd Floor
Block B, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu, Sabah
Tel : 088 - 252 881
Fax : 088 - 288 803

SARAWAK

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

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

Affin Hwang Asset Management Bhd (429786-T)

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