AHAM CAPITAL
ASSET MANAGEMENT

Information Memorandum

AHAM **World Series - China Allocation Opportunity** Fund

(Formerly known as Affin Hwang World Series – China Allocation Opportunity Fund)

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

TRUSTEE
TMF Trustees Malaysia Berhad
Registration No.: 200301008392 (610812-W)

This Replacement Information Memorandum is dated 15 December 2023.
The AHAM World Series – China Allocation Opportunity Fund was constituted on 18 January 2019.
The constitution date of the Fund is also the launch date of the Fund.

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia. The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum. The Securities Commission Malaysia is not liable for any non-disclosure on the part of AHAM Asset Management Berhad responsible for the Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

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

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

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

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CORPORATE DIRECTORY

The Manager/AHAM

AHAM Asset Management Berhad
Registered Office
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@aham.com.my
Website: www.aham.com.my

The Trustee

TMF Trustees Malaysia Berhad
Registered Office & Business Address
10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur
Tel No. : (603) 2382 4288
Fax No. : (603) 2026 1451
E-mail: malaysia@tmf-group.com
Website: www.tmf-group.com

ABBREVIATION

AUD	Australian Dollar.
CAD	Canadian Dollar.
CHF	Swiss Franc.
CIS	Collective Investment Schemes.
CSSF	Commission de Surveillance du Secteur Financier.
ESG	Environmental, Social and Governance.
EU	European Union.
EUR	Euro.
FiMM	Federation of Investment Managers Malaysia.
Fitch	Fitch Ratings Inc.
GBP	British Pound Sterling.
JPY	Japanese Yen.
Moody's	Moody's Investors Service.
MYR	Malaysian Ringgit.
OTC	Over-the-Counter.
PHS	Product Highlights Sheet.
PRC	People's Republic of China.
QFI	Qualified Foreign Investors.
QFII	Qualified Foreign Institutional Investor.
RMB	Renminbi Yuan.
S&P	Standard and Poor's.
SC	Securities Commission Malaysia.
SGD	Singapore Dollar.
SICAV	Société d'Investissement à Capital Variable.
UK	United Kingdom.
US	United States of America.
USD	United States Dollar.

GLOSSARY

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.
Bond Connect	Means a new scheme that was introduced in July 2017 to enable mutual bond market access between Hong Kong and mainland China.
Bursa Malaysia	Means the stock exchange operated by Bursa Malaysia Securities Berhad including such other name as it may be amended from time to time.
Business Day	Means a day on which Bursa Malaysia and/or one or more of the foreign markets in which the Fund is invested in are open for business/trading. The Manager may declare certain Business Days a non-Business Day when deemed necessary, such as (i) in the event of market disruption; (ii) if the jurisdiction of the Target Fund declares that day as a non-business day; and/or (iii) if that day is declared as a non-dealing day for the Target Fund.
Chinese A shares / A shares	Refers to RMB denominated A shares of companies domiciled in Mainland China; traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

Class(es)	Means any number of class(es) of Unit(s) representing similar interests in the assets of the Fund although a class of Units of the Fund may have different features from another class of Units.
Communiqué	Refers to the notice issued by the Manager to the Unit Holders.
Company	Refer to UBS (Lux) Key Selection SICAV.
CVC Capital Partners Asia Fund V	Means collectively (1) CVC Capital Partners Asia V L.P.; (2) CVC Capital Partners Investment Asia V L.P.; and (3) CVC Capital Partners Asia V Associates L.P.
Deed	Refers to the deed dated 24 December 2018 and the first supplemental deed dated 8 November 2023 entered into between the Manager and the Trustee and includes any subsequent amendments and variations to the deed.
Depositary	Refers to UBS Europe SE, Luxembourg Branch.
Development Financial Institution	Means a development financial institution under the Development Financial Institutions Act 2002.
ESMA	Means the European Securities and Markets Authority ("ESMA"), is an EU financial regulatory institution located in Paris.
Financial Institution	Means (1) if the institution is in Malaysia – (i) Licensed Bank; (ii) Licensed Investment Bank; (iii) Development Financial Institution; or (iv) Licensed Islamic Bank; or (2) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
Forward Pricing	Means the method of determining the price of a Unit which is the NAV per Unit at the next valuation point after an application for purchase or repurchase request is received by the Manager.
Fund	Means AHAM World Series – China Allocation Opportunity Fund *(formerly known as Affin Hwang World Series – China Allocation Opportunity Fund).*
Guidelines	Means the *Guidelines on Unlisted Capital Market Products Under The Lodge And Launch Framework* issued by the SC as may be amended from time to time.
Hedged-class	Means a particular Class that aims to reduce the effect of exchange rate fluctuations between the Base Currency and the currency in which Unit Holders are exposed to having invested in that Class, also known as NAV hedging method. NAV hedging is undertaken regardless of whether the Base Currency is expected to increase or decline in value relative to the hedged currency.
Information Memorandum	Means this offer document in respect of this Fund as may be, replaced or amended from time to time.
Law of 2010	Means the law on undertakings for collective investment dated 17 December 2010, as amended.
Licensed Bank	Means a bank licensed under the Financial Services Act 2013.
Licensed Investment Bank	Means an investment bank licensed under the Financial Services Act 2013.
Licensed Islamic Bank	Means an Islamic bank licensed under the Islamic Financial Services Act 2013.
long term	Means a period of five (5) years and above.
Manager or AHAM	Means AHAM Asset Management Berhad.
Management Company	Refers to UBS Fund Management (Luxembourg) S.A., RCS Luxembourg B 154.210, which has been appointed by the Company as its management company.
medium to long term	Means a period of three (3) years or more.
Member State	Refers to a member country of the EU.
NAV	Means the value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point; where the Fund has more than one Class, there shall

	be a net asset value of the Fund attributable to each Class.
NAV per Unit	Means the NAV of the Fund at a particular valuation point divided by the number of Units in Circulation at the same valuation point; where the Fund has more than one Class, there shall be a NAV per Unit for each Class; the NAV per Unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class divided by the number of Units in Circulation of that Class at the same valuation point.
OECD	Refers to the Organisation for Economic Co-operation and Development. The 38 members of the OECD are: Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, UK and US.
Repurchase Charge	Means a charge imposed pursuant to a repurchase request.
Repurchase Price	Means the price payable to a Unit Holder by the Manager for a Unit pursuant to a repurchase request and it shall be exclusive of any Repurchase Charge. *The Repurchase Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period.*
Sales Charge	Means a charge imposed pursuant to a purchase request.
Selling Price	Means the price payable by the Unit Holder for the Manager to create a Unit in the Fund and it shall be exclusive of any Sales Charge. *The Selling Price is equivalent to the initial offer price during the initial offer period and NAV per Unit after the initial offer period.*
Sophisticated Investor	Refers to any person (a) who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the Act; (b) who acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or (c) any other person as may be determined by the SC from time to time under the Guidelines. Note: For more information, please refer to our website at www.aham.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the Act and the list of other Sophisticated Investors as permitted by the SC under the Guidelines.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority of not less than three-fourths (3/4) of the Unit Holders present and voting at the meeting in person or by proxy; for the avoidance of doubt, “three-fourths (3/4) of the Unit Holders present and voting” means three-fourths (3/4) of the votes cast by the Unit Holders present and voting; for the purposes of terminating the Fund or a Class, “Special Resolution” means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths (3/4) of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.
Stock Connect	Refers to Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.
Target Fund	Refers to UBS (Lux) Key Selection SICAV – China Allocation Opportunity.
Target Fund Manager	Refers to UBS Asset Management (Hong Kong) Limited.
Target Fund Prospectus	Means the offering document of the Target Fund dated January 2023, as updated and amended from time to time.
Trustee	Refers to TMF Trustees Malaysia Berhad.
UCITS	Refers to undertakings for collective investment in transferable securities.
Unit or Units	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund and if the Fund has more than one Class, it means a Unit issued for each Class.

Units in Circulation	Means Units created and fully paid for and which have not been cancelled. *It is also the total number of Units issued at a particular valuation point.*
Unit Holder, you	Means the person / corporation for the time being who, in full compliance to the relevant laws is a Sophisticated Investor pursuant to the Guidelines including a jointholder.
US Person	Means a US citizen or US tax resident individual (including a green-card holder, an individual with substantial US presence and an individual who has US permanent or mailing address), US corporation, US partnership, US trust or US estate for US federal income tax purposes.

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

ABOUT AHAM WORLD SERIES – CHINA ALLOCATION OPPORTUNITY FUND

FUND CATEGORY	:	Feeder Wholesale	**BASE CURRENCY**	:	USD
FUND TYPE	:	Growth & Income	**FINANCIAL YEAR END**	:	30 April

DISTRIBUTION POLICY

Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis. However, the amount of income available for distribution may fluctuate from month to month.

At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains (3) unrealised income, (4) unrealised capital gains, (5) capital or (6) a combination of any of the above.

INVESTMENT OBJECTIVE

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

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

ASSET ALLOCATION

- A minimum of 80% of the Fund's NAV to be invested in the Target Fund; and
- A maximum of 20% of the Fund's NAV to be invested in money market instruments and/or deposits.

INVESTMENT STRATEGY

The Fund will be investing a minimum of 80% of the Fund's NAV in the Target Fund and a maximum of 20% of the Fund's NAV in money market instruments and/or deposits.

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

Temporary Defensive Measure

We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation by reducing its investments in the Target Fund and raise the liquidity levels of the Fund during adverse market conditions that may impact financial markets to protect the Unit Holders' interest. In raising the Fund's liquidity level, we may also invest in CIS that are able to meet the Fund's investment objective. To manage the risk of the Fund, we may shift the Fund's focus and exposure to lower risk investments such as deposits or money market instruments.

Derivatives

Derivatives trades may be carried out for hedging purposes through financial instruments including, but not limited to, forward contracts, futures contracts and swaps. Futures and forward contracts are generally contracts between two parties to trade an asset at an agreed price on a pre-determined future date whereas swaps is an agreement to swap or exchange two financial instruments between two parties.

The intention of hedging is to preserve the value of the assets from any adverse price movements. While the hedging transactions will assist with mitigating the potential foreign exchange losses by the Fund, any potential foreign exchange gains from the hedging strategy will be capped as well.

The Fund adopts commitment approach to measure the Fund's global exposure to derivatives. The commitment approach is a methodology that aggregates the underlying market values or notional values of derivatives after taking into account the possible effects of netting and/or hedging arrangements. The Fund's global exposure from the derivatives position must not exceed 100% of NAV of the Fund at all times.

Cross Trades

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

PERMITTED INVESTMENTS

The Fund will invest in the following investments:

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

VALUATION POINT OF THE FUND

The Fund will be valued at 6.00 p.m. on every Business Day (or "trading day" or "T day"). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or "T + 1 day"). All foreign assets are translated into the Base Currency based on the bid exchange rate quoted by Bloomberg/Refinitiv at 4.00 p.m. (UK time) which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysian time) on the same day, or at such time as stipulated in the investment management standards issued by the FiMM.

VALUATION OF ASSETS

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

- **Unlisted CIS**

  Valuation of investments in unlisted CIS shall be based on the last published repurchase price.

- **Deposits**

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

- **Money Market Instruments**

  Valuation of MYR denominated money market instruments will be done using the price quoted by a bond pricing agency ("BPA") registered with the SC. For non-MYR denominated money market instruments, valuation will be done using an average of quotations provided by reputable Financial Institutions. Where the Manager is of the view that the price quoted by BPA differs from the fair value or where reliable market quotations are not available, the fair value will be determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. This may be determined by reference to the valuation of other money market instruments which are comparable in rating, yield, expected maturity date and/or other characteristics.

- **Derivatives**

  Valuation of derivatives will be based on the prices provided by the respective issuers. The issuers generate the market valuation through the use of their own proprietary valuation models, which incorporate all the relevant and available market data with respect to the derivatives (e.g. interest rates, movement of the underlying assets, volatility of the underlying assets, the correlation of the underlying assets and such other factors). For foreign exchange forward contracts ("FX Forwards"), interpolation formula is applied to compute the value of the FX Forwards based on the rates provided by Bloomberg or Refinitiv. If the rates are not available on Bloomberg or Refinitiv, the FX Forwards will be valued based on a fair value as determined in good faith by the Manager using methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

- **Any Other Investments**

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

ABOUT THE CLASSES

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

Classes	USD Class	MYR Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class
Initial Offer Price	N/A[+]	N/A[+]	N/A[+]	N/A[+]	N/A[+]	GBP 0.50[**]	EUR 0.50[**]	RMB 0.50[**]
	[+]The price of Units for USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class and AUD Hedged-class shall be based on the NAV per Unit. [**]The price of Units offered for purchase during the initial offer period.							
Initial Offer Period	[+]The initial offer period for USD Class, MYR Class, MYR Hedged-class, SGD Hedged-class and AUD Hedged-class has ended. [**]The initial offer period for GBP Hedged-class, EUR Hedged-class and RMB Hedged-class will be one (1) day which is on the launch date of a particular Class, and the launch will be disseminated through official communication channels and communiques to the Unit Holders.							
Minimum Initial Investment*	USD 10,000	MYR 30,000	MYR 30,000	SGD 10,000	AUD 10,000	GBP 10,000	EUR 10,000	RMB 30,000
Minimum Additional Investment*	USD 5,000	MYR 10,000	MYR 10,000	SGD 5,000	AUD 5,000	GBP 5,000	EUR 5,000	RMB 10,000
Minimum Repurchase Unit*	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units
Minimum Units Held*	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units	10,000 Units
	If the balance of your investment (i.e. total number of Units) is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your holding of Units in the Fund and pay the proceeds to you.							
Minimum Units Per Switch*	20,000 Units	60,000 Units	60,000 Units	20,000 Units	20,000 Units	20,000 Units	20,000 Units	60,000 Units
Unitholdings in Different Classes	You should note that there are differences when purchasing Units of the USD Class and other Classes in the Fund. For illustration purposes, assuming you have USD 10,000 to invest:							

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

[*] At our discretion, we may reduce the transaction value and Units, including for transactions made via digital channels, subject to terms and conditions disclosed in the respective channels.

Classes	USD Class	MYR Class	MYR Hedged-class	SGD Hedged-class	AUD Hedged-class	GBP Hedged-class	EUR Hedged-class	RMB Hedged-class
	Invested amount = USD 10,000 x currency exchange rate of the Class *Units received = Invested amount ÷ NAV per Unit of the Class* By purchasing Units in the USD Class, you will receive less Units for every USD invested in the Fund (i.e. 20,000 Units), similarly by purchasing Units of the GBP Hedged-class and EUR Hedged-class, you will also receive less Units for every GBP and EUR invested in the Fund (i.e. 15,000 Units and 19,000 Units respectively), compared to purchasing Units in MYR Class (i.e. 80,000 Units), MYR Hedged-class (i.e. 80,000 Units), SGD Hedged-class (i.e. 40,000 Units), AUD Hedged-class (i.e. 40,000 Units) or RMB Hedged-class (i.e. 120,000 Units). Upon a voting by poll, the votes by every Unit Holder present in person or by proxy is proportionate to the value of Units held by him or her. Hence, holding more number of Units may not give you an advantage when voting at Unit Holders' meetings. You should note that in a Unit Holders' meeting to terminate or wind up the Fund, a Special Resolution will only be passed by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders present and voting at the meeting in person or by proxy.							

The Fund may create new Classes without having to seek Unit Holders' prior approval. You will be notified of the issuance of the new Classes by way of Communiqué and the investors will be notified of the same by way of a supplemental/replacement information memorandum.

ABOUT THE FEES AND CHARGES

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

You should be aware that all fees, charges and expenses referred to or quoted in this Information Memorandum (including any supplemental information memorandum) and the Deed (including any supplemental deed) are referred to or quoted as being exclusive of any other applicable taxes. We (including the Trustee and other service providers) will charge any other applicable taxes on the fees, charges and expenses in accordance with any other relevant or applicable laws.

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

SALES CHARGE

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

REPURCHASE CHARGE

Nil.

TRANSFER FEE

Nil.

SWITCHING FEE

The Manager does not impose any switching fee. However, if the amount of sales charge of the fund (or class) that the Unit Holder intends to switch into is higher than the sales charge imposed by the fund (or class) being switched from, then the difference in the sales charge between the two (2) funds (or classes) shall be borne by the Unit Holder.

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

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

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

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

ANNUAL MANAGEMENT FEE

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

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is USD 120 million for that day, the accrued management fee for that day would be:

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

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

ANNUAL TRUSTEE FEE

The trustee fee is up to 0.06% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), and is calculated using the Base Currency (before deducting the management fee and trustee fee). The trustee fee is accrued daily and payable monthly to the Trustee. In addition to the annual trustee fee, the Trustee may be reimbursed by the Fund for any expenses properly incurred by it in the performance of its duties and responsibilities.

Please note that the example below is for illustration only:

Assuming that the NAV of the Fund is USD 120 million for that day, the accrued trustee fee for that day would be:

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

ADMINISTRATIVE FEE

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

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- Taxes and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- Costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- Costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- Costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- Costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- Costs, fees and expenses incurred in the termination of the Fund or a Class or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
- Costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund or commenced by either of them for the benefit of the Fund or a Class (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- Costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- Costs and expenses incurred in relation to the distribution of income and/or capital (if any);
- Fees, charges, costs and expenses relating to the preparation, printing, posting, lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post and/or lodge in relation to the Fund by virtue of any relevant laws;
- Any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- Other fees and expenses related to the Fund allowed under the Deed.

MAXIMUM RATE OF FEES AND CHARGES ALLOWABLE BY THE DEED

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

Sales Charge	6.00% of the NAV per Unit 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)

REBATES AND SOFT COMMISSIONS

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

The soft commissions can be retained by us or any of our delegates thereof provided that:-

- the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- we or our delegates will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

ABOUT THE TARGET FUND – UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY

BASE CURRENCY	:	USD
INCEPTION DATE OF THE TARGET FUND	:	8 June 2015
COUNTRY OF ORIGIN	:	Luxembourg
REGULATORY AUTHORITY	:	Commission de Surveillance du Secteur Financier ("CSSF") (Luxembourg Financial Sector Supervisory Authority)

UBS (LUX) KEY SELECTION SICAV ("the Company")

The Target Fund is a sub-fund of the Company. The Company, UBS (Lux) Key Selection SICAV, was established on 9 August 2002 as an open-ended investment fund in the form of a SICAV pursuant to Part I of the Luxembourg Law of 30 March 1988 relating to undertakings for collective investment and was adapted in February 2004 to conform to the provisions of the Law of 20 December 2002 relating to undertakings for collective investment; it has been subject to the Law of 2010 since 1 July 2011.

The Articles of Incorporation of the Company may be consulted at the Luxembourg trade and companies register (Registre de Commerce et des Sociétés). Any amendments thereto shall be notified by way of a notice of deposit in the Recueil Electronique des Sociétés et Associations ("RESA"), as well as by any other means described in the section entitled "Regular reports and publications" of the Target Fund Prospectus. Amendments become legally binding following their approval by the general meeting of shareholders.

The Company is entered in the Luxembourg trade and companies register under Number RCS B 88.580 with the "Registre de Commerce et des Sociétés", where the Articles of Incorporation have been filed and are available for inspection. The Company's duration and total assets are unlimited.

UBS FUND MANAGEMENT (LUXEMBOURG) S.A. ("the Management Company")

With effect from 16 May 2011, the Company has appointed UBS Fund Management (Luxembourg) S.A., RCS Luxembourg B 154.210 as its management company.

The Management Company was established in Luxembourg on 1 July 2010 as an Aktiengesellschaft (public limited company) for an indefinite period. Its registered office is located at 33A, avenue J.F. Kennedy, L-1855 Luxembourg.

The Articles of Association of the Management Company were published on 16 August 2010 by way of a notice of deposit in the Mémorial, Recueil des Sociétés et Associations (the "Mémorial").

The consolidated version of the Articles of Incorporation may be consulted at the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés). The corporate purpose of the Management Company is to manage undertakings for collective investment pursuant to Luxembourg law and to issue/redeem units or shares in these products, among other activities. In addition to the Company, the Management Company currently also manages other undertakings for collective investment.

The Management Company has fully paid-up equity capital of EUR 13,000,000. The Management Company also acts as domiciliary agent for the Company.

UBS ASSET MANAGEMENT (HONG KONG) LIMITED, HONG KONG ("the Target Fund Manager")

The Target Fund Manager is UBS Asset Management (Hong Kong) Limited, Hong Kong.

The Target Fund Manager has been assigned the management of the securities portfolio under the supervision and responsibility of the Management Company; to this end, it carries out all transactions relevant hereto in accordance with the prescribed investment restrictions.

The portfolio management entities of UBS Asset Management may transfer their mandates, fully or in part, to associated portfolio managers within UBS Asset Management. However, responsibility in each case remains with the Target Fund Manager.

INVESTMENT OBJECTIVE AND INVESTMENT POLICIES

General Investment Policy

The assets of the Target Fund are invested following the principle of risk diversification. The Target Fund invests its assets worldwide in equities, other share-like equity interests, such as cooperative shares, dividend-right certificates and participation certificates (other equity instruments and rights), short-term securities, money market instruments and warrants on securities, as well as debt instruments and claims. Debt instruments and claims include bonds, notes, all types of asset-backed securities, convertible bonds, convertible notes, warrant-linked bonds, as well as all legally permissible assets.

In addition, the Target Fund may invest in American depositary receipts (ADRs), global depositary receipts (GDRs) and structured products linked to equities, such as equity-linked notes.

The currency of account of the Target Fund refers only to the currency in which the net asset value of the Target Fund is calculated and not to its investment currency. Investments are made in the currencies that are most suitable for the performance of the Target Fund.

As set out in point 1.1(g) and point 5 of the section "Investment Principles", the Company may, as a main element in achieving the investment policy for the Target Fund and within the statutory limits defined, use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments. The markets in derivatives are volatile; both the opportunity to achieve gains as well as the risk of suffering losses are higher than with investments in securities.

The Target Fund may invest up to 20% of its net assets in ancillary liquid assets. The upper limit of 20% may only be temporarily exceeded for a period no longer than absolutely necessary if exceptionally unfavourable market conditions so require and if such a breach is justified taking the interests of investors into account. This restriction does not apply to liquid assets held to cover the risks of derivative financial instruments. Bank deposits, money market instruments or money market funds that meet the criteria of Article 41(1) of the Law of 2010 do not qualify as ancillary liquid assets within the meaning of Article 41(2) of the Law of 2010. Ancillary liquid assets should be limited to sight bank deposits, such as cash held in current accounts at a bank with instant access to cover current or exceptional payments, or for the period required for reinvestment in eligible assets pursuant to Article 41(1) of the Law of 2010, or for a period no longer than absolutely necessary in the event of unfavourable market conditions. The Target Fund may not invest more than 20% of its net asset value in sight deposits with a single institution. The investments of the Target Fund should also be broadly diversified in terms of markets, sectors, issuers, ratings and companies. Unless stipulated otherwise by the investment policy of the Target Fund, the Target Fund may invest up to 10% of its net assets in existing UCITS and undertakings for collective investment (UCI).

ESG Integration

UBS Asset Management categorises the Target Fund as an ESG integration fund which does not promote particular ESG characteristics or pursues a specific sustainability or impact objective. ESG integrated funds are investment funds that primarily aim at maximising financial performance, whereby ESG aspects are input factors within the investment process.

ESG integration is driven by taking into account material ESG risks as part of the research process. For corporate issuers, this process utilises the ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Target Fund Manager employs a proprietary ESG risk dashboard that combines multiple ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Target Fund Manager for incorporation in their investment decision making process. For non-corporate issuers, the Target Fund Manager may apply a qualitative or quantitative ESG risk assessment that integrates data on the most material ESG factors. The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

The Target Fund Manager takes ESG integration into account in allocation in underlying strategies. In the case of underlying strategies managed by UBS, the Target Fund Manager identifies ESG-integrated assets on the basis of the aforementioned research on ESG integration. For externally managed strategies, ESG integrated assets are identified via the third party manager research process.

Specific Investment Policy
The objective of the Target Fund is to achieve capital growth and generate income by investing in a diversified portfolio with a focus on China. To achieve this objective, the Target Fund invests mainly in equities and equity rights or bonds and claims of companies domiciled or chiefly active in China, in addition to other permissible investments which focus on China. To the extent permitted by law, the Target Fund may also invest in securities traded on the Chinese onshore securities market. This includes Chinese A shares, as well as fixed-income instruments denominated in RMB traded on China's interbank bond market ("CIBM") or on the market for exchange-traded bonds ("Chinese onshore bonds"). In particular, the Target Fund may invest directly or indirectly in Chinese A shares/Chinese onshore bonds through the QFI programme, in UCITS or other UCIs with exposure to Chinese A shares/Chinese onshore bonds and/or access products such as exchange-traded funds. Investors should note that the Target Fund's exposure may also include Chinese A shares traded via Stock Connect. A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

The Target Fund may invest no more than 20% of its net assets in fixed-income instruments denominated in RMB and traded on the CIBM. These instruments may include securities issued by governments, quasi-public corporations, banks, corporations and other institutions in the PRC that are authorised to be traded directly on the CIBM. The Target Fund may invest in bonds and claims with a low rating, i.e. a rating of BBB (Standard & Poor's) or lower, a comparably low rating from another recognised rating agency or – insofar as a new issue is concerned that does not yet have an official rating or an issue that has no rating at all – a comparably low internal UBS rating. Investments with lower ratings may carry an above average yield, but also a higher credit risk than investments in securities of first-class borrowers.

The Target Fund may make investments denominated in USD and other currencies (including Hong Kong Dollar and RMB).

In order to fulfil its investment objective and achieve broad diversification, the Target Fund may invest up to 10% of its net assets in UCITS and other UCIs within the meaning of point 1.1(e) of the section entitled "Investment Principles". This method of investment and the associated expenses are described in the section "Investments in UCIs and UCITS" below.

In order to fulfil its investment objective, the Target Fund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the expected market developments. In order to fulfil the investment objectives and ensure efficient portfolio management, the Target Fund Manager may, for example, build up significant investment exposure as defined in the investment policy by investing in exchange-traded and OTC derivative instruments.

Due to the political situation and economic and regulatory developments in China, investments with a focus on China may be affected by legal uncertainties or other accompanying factors. The Target Fund is exposed to specific risks that may be greater than those normally associated with investments with an international focus; as a result, the Target Fund is suitable for risk-conscious investors. A detailed description of the risks connected with investment in the Target Fund is given in the section "Risks of the Target Fund" as set out in section "Understanding the Risks of the Fund and the Target Fund". This Target Fund is only suitable for investors who are willing to accept these risks.

The investments underlying in the Target Fund do not take into account the EU criteria for environmentally sustainable economic activities. The Target Fund complies with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).

The Target Fund issues several share classes and may issue new share classes with different features and requirements in future. The Fund will have full discretion to decide on share class of the Target Fund to invest and may switch to different share class of the Target Fund. Such decision will be made in the best interest of investors. Investors should note that the investment objective, investment strategy and risk profile of the Fund remain the same regardless of the investment of the Fund in different share class of the Target Fund.

INVESTMENTS IN UCIS AND UCITS

The Company additionally permits investment in a single product, by which means the investor gains an indirect investment in numerous securities.

Certain fees and charges may be incurred more than once when investing in existing funds (such as Depositary and central administrative agent fees, management/advisory fees and issuing/redemption charges of the UCI and/or UCITS in which the investment is made). Such commission payments and expenses are charged at the level of the target fund as well as of the fund of funds.

The Target Fund may also invest in UCIs and/or UCITS managed by the Management Company or by a company linked to the Management Company through common management or control, or through a substantial direct or indirect holding. In this case, no issuing or redemption charge will be charged on subscription to or redemption of these units. The double charging of commission and expenses referred to above does, however, remain.

USE OF DERIVATIVES

The Company may use derivative financial instruments in connection with the Target Fund, subject to the restrictions stipulated in the "Investment Principles" section, titled "Risk Diversification". Derivative financial instruments are instruments that derive their value from other finance instruments (underlyings).

Derivatives may be conditional or unconditional. Conditional derivatives (contingent claims) are those that give a party to the legal transaction the right, but not the obligation, to use a derivative instrument (e.g. an option). Unconditional derivatives (futures) impose the obligation on both parties to provide the service owed at a specific time defined in the contract (e.g. forwards, futures, swaps).

The derivatives are traded on stock exchanges (exchange-traded derivatives), as well as over the counter (OTC derivatives). For derivatives traded on a stock exchange, the stock exchange itself is one of the parties in each transaction. These transactions are cleared and settled through a clearing house (clearing agent). OTC derivatives are entered into directly by two parties, whereas exchange-traded derivatives are entered into using a middleman. Derivatives used by the Target Fund may include futures contracts (e.g. on equities, indices, volatility), options (e.g. on equities, interest rates, indices, bonds, currencies, commodities indices, swaps, volatility, futures, inflation or other instruments), forward contracts (including currency contracts), swaps (e.g. total return swaps, currency swaps, commodities index swaps, interest rate swaps, dividend swaps, swaps on equity baskets, volatility swaps and variance swaps), credit derivatives (including credit default derivatives, credit default swaps ("CDS") and credit spread derivatives), warrants and structured derivatives such as credit-linked and equity-linked securities.

Derivative transactions (e.g. credit derivatives), may be used to hedge the default risk associated with a third party. To do this, the parties may participate in transactions such as CDS in which the seller compensates the losses of the buyer associated with the default of a third party and, in return, receives a recurring premium from the buyer. This compensation may be provided through the delivery of defined securities or cash payments. This type of derivative transaction is similar to insurance and can be entered into by the Target Fund, either as a buyer or seller. Credit derivatives may thus be used by the Target Fund for hedging (from the buyer's point of view) or investment (from the seller's point of view) purposes. Since 2014, CDS have been settled through a central clearing house.

Swap Agreements

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

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

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

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

Where the Target Fund enters into total return swaps (or invests in other financial derivative instruments with the same characteristics) it will only do so on behalf of the Target Fund with counterparties that are entities with legal personality, typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay. Subject to compliance with those conditions, the Target Fund Manager has full discretion as to the appointment of counterparties when entering into total return swaps in furtherance of the Target Fund's investment objective and policies.

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

Exposure to securities financing transactions

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

Total Return Swaps		**Repurchase Agreements / Reverse Repurchase Agreements**		**Securities Lending**	
Expected	Maximum	Expected	Maximum	Expected	Maximum
0% - 10%	50%	0% - 10 %	10%	25%	75%

Risk management

Risk management in accordance with the commitment approach is carried out pursuant to the applicable laws and regulatory provisions. Pursuant to CSSF circular 14/592 (on the ESMA guidelines on ETFs and other UCITS issues), the risk management procedure will also be applied within the scope of collateral management (see section entitled "Collateral management" below) and the techniques and instruments for the efficient management of the portfolio (see section entitled "Special techniques and instruments with securities and money market instruments as underlying assets" below).

Global risk calculation method	**Expected range of leverage**	**Reference portfolio**
Commitment approach	N/A	N/A

Collateral Management
If the Company enters into OTC transactions, it may be exposed to risks associated with the creditworthiness of these OTC counterparties: should the Company enter into futures, options or swap contracts, or use other derivative techniques, it shall be subject to the risk that an OTC counterparty might not meet (or cannot meet) its obligations under one or more contracts.

Counterparty risk can be reduced by depositing a security ("collateral", see above). Collateral may be provided in the form of liquid assets in highly liquid currencies, highly liquid equities and first-rate government bonds. The Company will only accept such financial instruments as collateral, which would allow it (after objective and appropriate valuation) to liquidate these within an appropriate time period. The Company, or a service provider appointed by the Company, must assess the collateral's value at least once a day. The collateral's value must be higher than the value of the position of the respective OTC counterparty. However, this value may fluctuate between two consecutive valuations.

After each valuation, however, it is ensured (where appropriate, by requesting additional collateral) that the collateral is increased by the desired amount to meet the value of the respective OTC counterparty's position (mark-to-market). In order to adequately take into account the risks related to the collateral in question, the Company determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by an appropriate, conservatively measured amount (haircut). The larger the collateral's value may fluctuate, the higher the markdown.

The Company shall set up internal regulations determining the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, and the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Company on a regular basis.

The board of directors of the Company has approved instruments of the following asset classes as collateral in OTC derivative transactions and determined the following haircuts to be used on these instruments:

Asset class	**Minimum haircut (% deduction from market value)**
Fixed and variable-rate interest-bearing instruments	
Liquid funds in the currencies CHF, EUR, GBP, USD, JPY, CAD and AUD.	0%
Short-term instruments (up to one year) issued by one of the following countries (Australia, Austria, Belgium, Denmark, Germany, France, Japan, Norway, Sweden, UK, US) and the issuing country has a minimum rating of A	1%
Instruments that fulfil the same criteria as above and have a medium-term maturity (one to five years).	3%
Instruments that fulfil the same criteria as above and have a long-term maturity (five to ten years).	4%
Instruments that fulfil the same criteria as above and have a very long-term maturity (more than ten years).	5%
US TIPS (Treasury inflation protected securities) with a maturity of up to ten years	7%
US Treasury strips or zero coupon bonds (all maturities)	8%
US TIPS (Treasury inflation protected securities) with a maturity of over ten years	10%

The haircuts to be used on collateral from securities lending, as the case may be, are described in section entitled "Special techniques and instruments with securities and money market instruments as underlying assets" below.

Securities deposited as collateral may not have been issued by the respective OTC counterparty or be highly correlated with this OTC counterparty. For this reason, shares from the finance sector are not accepted as collateral. Securities deposited as collateral shall be held in safekeeping by the Depositary on behalf of the Company and may not be sold, invested or pledged by the Company.

The Company shall ensure that the collateral received is adequately diversified, particularly regarding geographic dispersion, diversification across different markets and the spreading of concentration risk. The latter is considered to be sufficiently diversified if securities and money market instruments held as collateral and issued by a single issuer do not exceed 20% of the Target Fund's net assets.

In derogation to the above paragraph and in accordance with the modified Point 43(e) of the ESMA Guidelines on ETFs and other UCITS issues of 1 August 2014 (ESMA/2014/937), the Company may be fully collateralised in various transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a non-Member State, or a public international body to which one or more Member States belong. If this is the case, the Company must ensure that it receives securities from at least six different issues, but securities from any single issue may not account for more than 30% of the net assets of the Target Fund.

The board of directors of the Company has decided to make use of the exemption clause described above and accept collateralisation of up to 50% of the net assets of the Target Fund in government bonds that are issued or guaranteed by the following countries: US, Japan, UK, Germany and Switzerland.

Collateral that is deposited in the form of liquid funds may be invested by the Company. Investments may only be made in: sight deposits or deposits at notice in accordance with point 1.1(f) of "Permitted investments of the Company"; high-quality government bonds; repurchase agreements within the meaning of "Special techniques and instruments with securities and money market instruments as underlying assets", provided the counterparty in such transactions is a credit institution within the meaning of point 1.1(f) of "Permitted investments of the Company" and the Company has the right to cancel the transaction at any time and to request the back transfer of the amount invested (incl. accrued interest); short-term money market funds within the meaning of CESR Guidelines 10-049 regarding the definition of European money market funds.

The restrictions listed in the previous paragraph also apply to the spreading of concentration risk. Bankruptcy and insolvency events or other credit events involving the Depositary or within its sub-depositary/correspondent bank network may result in the rights of the Company in connection with the collateral being delayed or restricted in other ways. If the Company owes collateral to the OTC counterparty pursuant to an applicable agreement, then any such collateral is to be transferred to the OTC counterparty as agreed between the Company and the OTC counterparty. Bankruptcy and insolvency events or other credit default events involving the OTC counterparty, the Depositary or its sub-depositary/correspondent bank network may result in the rights or recognition of claims of the Company in connection with the collateral being delayed, restricted or even eliminated, which would go so far as to force the Company to fulfil its obligations within the framework of the OTC transaction, regardless of any collateral that had previously been provided to cover any such obligation.

PRC tax considerations

Pursuant to the current provisions in the PRC, foreign investors, including the Target Fund, generally invest in Chinese A shares and certain other investment products through a QFII or QFI, or via Stock Connect. By investing in onshore bonds in the PRC directly through the CIBM or through Bond Connect, the Target Fund may be subject to withholding tax and other taxes imposed by the PRC tax authorities.

<u>PRC Corporate Income Tax ("CIT")</u>

If the Target Fund is considered tax resident in the PRC, it will be subject to corporate income tax ("CIT") of 25% on its worldwide taxable income. If the Target Fund is considered non-tax resident in the PRC with a place of establishment ("PE") in the PRC, the profits attributable to that PE are subject to CIT of 25%. Under the CIT Act in force in the PRC since 1 January 2008, a company that is non-tax resident in the PRC without a PE in the PRC will generally be subject to withholding income tax ("WIT") of 10% on the income earned in the PRC, including but not limited to passive income (e.g. dividends, interest, gains arising from transfer of assets, etc.). The Target Fund Manager intends to manage and operate the Target Fund in such a manner that the Target Fund will not be treated as tax resident in the PRC or non-tax resident with a PE in the PRC for CIT purposes although due to uncertainty surrounding the tax laws and practices in the PRC, this result cannot be guaranteed.

(i) Interest and dividends

Under current PRC tax laws and regulations, QFIIs/QFIs are subject to PRC WIT of 10% on cash and bonus dividends, profits distributions and interest payments from companies listed in the PRC. Such WIT levied in the PRC may possibly be reduced under an applicable double tax treaty or exempt from tax pursuant to a provision of domestic tax law. On 22 November 2018, the Ministry of Finance ("MOF") and the State Administration of Taxation ("SAT") of the PRC jointly released the Caishui [2018] No 108 circular ("Circular 108") to address the tax issues in relation to interest income on bonds earned by foreign institutional investors from investments in the PRC bond market in accordance with Circular 108, interest income on bonds earned by foreign institutional investors with no PE in the PRC (or with a PE in the PRC, but where such income generated in the PRC is not effectively related to that PE) between 7 November 2018 and 6 November 2021 is temporarily exempt from CIT. As this exemption is only temporary according to Circular 108, it remains unclear whether such an exemption will also apply after 6 November 2021. Interest on government bonds issued by the competent Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from PRC CIT under the CIT Act in force in the PRC.

ii) Capital gains

Based on the CIT Act and its implementation rules, "income from the transfer of property" earned in the PRC by companies that are non-tax resident in the PRC should be subject to 10% WIT in the PRC unless exempt or taxable at a reduced rate under an applicable tax treaty. On 14 November 2014, the MOF, the SAT and the China Securities Regulatory Commission ("CSRC") of the PRC jointly released Caishui [2014] No. 79 ("Circular 79") to address the tax issues in relation to capital gains on equity investments earned by QFIIs and QFIs. Under Circular 79, for QFIIs/QFIs (without a PE in the PRC or with a PE in the PRC but the income earned in China is effectively not connected with that PE) such capital gains were temporarily exempt from WIT in the PRC if they were realised on or after 17 November 2014, and subject to 10% WIT in the PRC in accordance with the applicable law if they were realised before 17 November 2014. Circular 79 did not offer any further guidance concerning the question as to whether the temporary exemption applies to securities other than A shares. In the absence of specific regulations, the application of CIT is governed by the general tax provisions of CIT law in the PRC. With regard to the capital gains on the disposal of PRC debt instruments, the PRC tax authorities have on numerous occasions said that such gains are not considered to have been made in the PRC and are therefore not subject to the WIT applicable in the PRC. However, there is no specific written tax provision confirming this. In practice, no WIT is currently applied to capital gains made by foreign investors from trading PRC debt instruments. Should the PRC tax authorities decide to tax such income in the future, the Target Fund Manager would request the PRC tax authorities to treat the Target Fund as tax resident in Luxembourg and invoke the capital gains tax exemption provided for in the double taxation treaty between the PRC and Luxembourg, although this cannot be guaranteed.

<u>Value added tax ("**VAT**") in the PRC</u>
According to Caishui [2016] No. 36 circular ("Circular 36") on the last phase of the VAT reform that came into force on 1 May 2016, gains on the transfer of PRC onshore securities became subject to VAT as of 1 May 2016.

According to Circular 36 and Caishui [2016] No. 70 circular ("Circular 70"), gains realised by QFIIs/QFIs from the transfer of PRC debt instruments have been exempt from value added tax since 1 May 2016.

According to Circular 36, interest income earned by QFIIs/QFIs on investments in PRC onshore bonds are subject to 6% VAT where no special exemption applies (see notes to Circular 108 below). According to Circular 36, interest income on deposits is not subject to VAT, and interest income on government bonds is exempt from VAT. Circular 108 regulates the exemption from VAT on interest income on bonds earned by foreign institutional investors investing in the Chinese bond market between 7 November 2018 and 6 November 2021. As this exemption is only temporary according to Circular 108, it remains unclear whether such an exemption will also apply after 6 November 2021. Where VAT is payable, additional taxes also apply (including the urban construction and maintenance tax, the education surcharge and the regional education surcharge) amounting to up to 12% of the applicable VAT.

<u>Stamp duty in the PRC</u>
The seller will be liable for stamp duty at the rate of 0.1% of the proceeds on the sale of shares listed in the PRC. No stamp duty is expected to be imposed on holders of government and corporate bonds who are non-tax resident in the PRC, either upon issuance or upon subsequent transfer of such bonds.

<u>Investments in Chinese A shares via Stock Connect</u>
On 14 November 2014 and 2 December 2016, the MOF, the SAT and the CSRC jointly released Caishui [2014] No. 81 ("Circular 81") and Caishui [2016] No. 127 ("Circular 127") in order to clarify questions concerning taxation in the PRC in relation to Stock Connect. According to Circular 81 and Circular 127, capital gains realised by foreign investors from trading in A shares through Stock Connect are temporarily exempt from CIT applicable in the PRC and from VAT. Foreign investors are obliged to pay the 10% WIT on dividends applicable in the PRC. This will be withheld by companies listed in the PRC and remitted to the competent tax authorities in the PRC. Investors resident for tax purposes in a country that has concluded a tax treaty with the PRC can apply for a refund of any excess WIT paid in the PRC, provided the relevant tax treaty stipulates a lower rate of WIT for dividends in the PRC than the one paid.

The Target Fund is subject to stamp duty applicable in the PRC of 0.1% of the sales proceeds from the disposal of A shares through Stock Connect.

INVESTMENT PRINCIPLES

1. Permitted investments of the Company

1.1 The investments of the Company may consist exclusively of one or more of the following components:

a) Securities and money market instruments that are listed or traded on a "regulated market" as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

b) Securities and money market instruments that are traded in a Member State on another market which is recognised, regulated, operates regularly and is open to the public. The term "Member State" designates a member country of the EU; countries that are parties to the agreement on the European Economic Area but are not Member States of the EU are considered equivalent to Member States of the EU, within the limits of said agreement and its related agreements;

c) Securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or traded on another market of a European, American, Asian, African or Australasian country (hereinafter "approved state") which operates regularly and is recognised and open to the public;

d) Newly issued securities and money market instruments, provided the terms of issue stipulate that an application must be made for admission to official listing on one of the securities exchanges or regulated markets mentioned under points 1.1(a)–(c), and that this admission must be granted within one year of the issue of the securities;

e) Units of UCITS admitted pursuant to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC with their registered office in a Member State as defined in the Law of 2010 or a non-Member State, provided that:

- such other UCIs have been approved in accordance with legislation subjecting them to prudential supervision that, in the opinion of the CSSF, is equivalent to that which applies under Community law, and that adequate provision exists for ensuring cooperation between authorities;
- the level of protection afforded to unitholders in the other UCIs is equivalent to that afforded to shareholders in the Company and, in particular, regulations apply that are equivalent to those in Directive 2009/65/EC governing the segregation of assets, borrowing, lending and the short-selling of securities and money market instruments;
- the business operations of the other UCI are the subject of annual and semi-annual reports that permit an assessment to be made of the assets and liabilities, income and transactions arising during the reporting period; and
- the UCITS or such other UCIs, the units of which are to be acquired, may invest no more than 10% of its assets in units of other UCITS or UCIs pursuant to its Management Regulations or its founding documents.

The Target Fund may invest no more than 10% of its assets in other UCITS or UCIs, unless otherwise stipulated in the investment policy of the Target Fund.

f) Sight deposits or deposits at notice at credit institutions with a term of up to 12 months, provided the credit institution has its registered office in a Member State, or (if the credit institution's registered office is located in a non-Member State) it is subject to supervisory regulations that the CSSF deems equivalent to those under Community law;

g) Derivative financial instruments ("derivatives"), including equivalent cash-settled instruments, which are traded on one of the regulated markets listed in (a), (b) and (c) above, or derivatives that are not traded on a stock exchange ("OTC derivatives"), provided that:

- the use of derivatives is in accordance with the investment purpose and investment policy of the Target Fund and is suited to achieving its goals;
- the underlying securities are instruments in accordance with the definition given under points 1.1(a) and 1.1(b) or financial or macroeconomic indices, interest rates, currencies or other underlying instruments in which the Company may invest either directly or indirectly via other existing UCI or UCITS pursuant to its investment policy;

- the Target Fund ensure, through adequate diversification of the underlying assets, that the diversification requirements applicable to it and listed in the section entitled “Risk Diversification” are adhered to;
- the counterparties in transactions involving OTC derivatives are institutions subject to prudential supervision and belonging to the categories admitted by the CSSF and expressly approved by the Company. The approval process by the Company is based on the principles drawn up by UBS AM Credit Risk and concerning, inter alia, the creditworthiness, reputation and experience of the relevant counterparty in settling transactions of this type, as well as their willingness to provide capital. The Company maintains a list of counterparties it has approved;
- the OTC derivatives are valued daily in a reliable and verifiable manner and may be sold, liquidated or settled by means of a back-to-back transaction at any time, upon the Company’s initiative and at the appropriate fair value; and
- the counterparty is not granted discretion regarding the composition of the portfolio managed by the Target Fund (e.g. in the case of a total return swap or a derivative financial instrument with similar characteristics), or regarding the underlying of the relevant OTC derivative.

h) Money market instruments as defined in the section entitled “General Investment policy” which are not traded on a regulated market, provided that the issuance or issuer of these instruments is already subject to regulations on deposit and investors protection, and provided that these instruments are:
   - issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the EU or European Investment Bank, a non-Member State, or, in the case of a federal state, a Member State of the federation, or by a public international institution of which at least one Member State is a member;
   - issued by an undertaking whose securities are traded on the regulated markets listed under point 1.1(a), (b) and (c);
   - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in Community law, or by an institution subject to supervision that, in the opinion of the CSSF, is at least as stringent as that provided for in Community law, and that complies with Community law; or
   - issued by other issuers belonging to a category approved by the CSSF, provided that regulations protecting investors that are equivalent to those in the first, second or third points above apply to investments in these instruments, and provided that the issuers constitute either a company with equity capital amounting to at least 10 million euro (EUR 10,000,000) that prepares and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, or an entity within a group encompassing one or more listed companies and responsible for its financing, or an entity which is to fund the securitization of liabilities by means of a credit line provided by a bank.

1.2 In derogation of the investment restrictions set out in point 1.1, the Target Fund may invest up to 10% of its net assets in securities and money market instruments other than those named in point 1.1.

1.3 The Company ensures that the overall risk associated with derivatives does not exceed the overall net value of the Company portfolio. As part of its investment strategy, the Target Fund may invest in derivatives within the limits set out in points 2.2 and 2.3, provided the overall risk of the underlying instruments does not exceed the investment limits stipulated in point 2.

1.4 The Target Fund may hold liquid assets on an ancillary basis.

2. Risk Diversification

2.1 In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of the Target Fund in securities or money market instruments from a single institution. The Company may not invest more than 20% of the net assets of the Target Fund in deposits with a single institution. In transactions by the Target Fund in OTC derivatives, counterparty risk must not exceed 10% of the assets of the Target Fund if the counterparty is a credit institution as defined in point 1.1(f). The maximum allowable counterparty risk is reduced to 5% in transactions with other counterparties. The total value of all positions in the securities and money market instruments of those institutions that account for more than 5% of the net assets of the Target Fund may not exceed 40% of the net assets of the Target Fund. This restriction does not apply to deposits and transactions in OTC derivatives with financial institutions which are subject to prudential supervision.

2.2 Regardless of the maximum limits set out in point 2.1, the Target Fund may not invest more than 20% of its net assets in a single institution through a combination of:

- securities or money market instruments issued by this institution;
- deposits with this institution; and/or
- OTC derivatives traded with this institution.

2.3 In derogation of the above, the following applies:

a) The maximum limit of 10% mentioned in point 2.1 is raised to 25% for certain bonds that fall within the definition of covered bonds in Article 3(1) of Directive (EU) 2019/2162 of the European Parliament and of the Council, and for bonds issued before 8 July 2022 issued by credit institutions domiciled in a Member State and subject, in that particular country, to special prudential supervision by public authorities designed to protect the holders of these instruments. In particular, funds originating from the issue of such bonds issued before 8 July 2022 must, in accordance with the law, be invested in assets that provide sufficient cover for the obligations arising from them during the entire term of the bonds and that provide a preferential right to payment of the capital and interest in the event of insolvency of the issuer. If the Target Fund invests more than 5% of its net assets in bonds of a single issuer, then the total value of these investments may not exceed 80% of the value of the net assets of the Target Fund.

b) The maximum limit of 10% is raised to 35% for securities or money market instruments issued or guaranteed by a Member State or its local authorities, by another approved state, or by public international bodies of which one or more Member States are members. Securities and money market instruments that come under the special ruling referenced in point 2.3(a) and (b) are not accounted for in calculating the aforementioned 40% maximum limit pertaining to risk diversification.

c) The limits set out in points 2.1, 2.2, 2.3(a) and (b) may not be aggregated; therefore, the investments listed in these paragraphs made in securities or money market instruments of a single issuing institution, or in deposits with that institution or derivatives thereof, may not exceed 35% of the net assets of the Target Fund.

d) Companies belonging to the same group for the purposes of consolidated accounts, as defined by Council Directive 83/349/EEC or recognised international accounting rules, must be treated as a single issuer for the calculation of the investment limits set out in this section.

However, investments by the Target Fund in securities and money market instruments of a single corporate group may total up to 20% of the assets of the Target Fund.

e) In the interest of risk diversification, the Company is authorised to invest up to 100% of the Target Fund's net assets in securities and money market instruments from various issues that are guaranteed or issued by a Member State or its local authorities, another authorised OECD member state, China, Russia, Brazil, Indonesia or Singapore, or by public international bodies of which one or more Member States are members. These securities and money market instruments must be divided into at least six different issues, with securities or money market instruments from a single issue not exceeding 30% of the total net assets of the Target Fund.

2.4 The following provisions apply with regard to investments in other UCITS or UCIs:

a) The Company may invest up to 20% of the net assets of the Target Fund in units of a single UCITS or other UCI. In implementing this investment limit, each sub-fund of a UCI comprising multiple sub-funds is treated as an independent issuer, provided each of these sub-funds is individually liable in respect of third parties.

b) Investments in units of UCIs other than UCITS may not exceed 30% of the Target Fund's net assets. The assets of the UCITS or other UCI in which the Target Fund has invested are not included when calculating the maximum limits set out in points 2.1, 2.2 and 2.3.

c) If the Target Fund invests a significant portion of their assets in units or shares of other UCITS and/or other UCIs, the maximum management fees chargeable by the Target Fund itself and by the other UCITS and/or other UCIs in which it invests are listed in the section titled "Expenses paid by the Company" in the Target Fund Prospectus.

2.5 The Target Fund may also subscribe, acquire and/or hold shares that are to be issued or have been issued by one or more other sub-funds of the Company provided that:

a) the target sub-fund does not itself invest in the Target Fund that is investing in that target sub-fund; and

b) the target sub-funds to be acquired may in accordance with their sales prospectuses or articles of incorporation, invest no more than 10% of their own assets in units of other target sub-funds of the same UCI; and

c) any voting rights associated with the securities in question is suspended for the period they are held by the Target Fund, regardless of their appropriate valuation in financial accounts and periodic reports; and

d) as long as these securities are held by the Target Fund, their value is not, in any event, included in the calculation of the Target Fund's net asset value described in the Law of 2010 to verify the minimum net assets in accordance with that law; and

e) no administration/subscription or redemption fees are double charged at the level of the Target Fund and that of the target sub-fund in which it invests.

2.6 The Company may invest up to 20% of the Target Fund's assets in equities and/or debt securities of a single issuer if, according to the Target Fund's investment policy, the Target Fund's objective is to replicate a specific equity or bond index recognised by the CSSF. This is subject to the following conditions:

- the composition of the index is sufficiently diversified;
- the index is an appropriate benchmark for the market it represents; and
- the index is published in an appropriate manner.

The limit is 35% provided this is justified due to exceptional market conditions; particularly on regulated markets heavily predominated by certain securities or money market instruments. Investment up to this upper limit is only permitted in the case of a single issuer.

If the limits mentioned in points 1 and 2 are exceeded unintentionally or as a consequence of the exercise of subscription rights, the Company must manage the sale of its securities so as to give top priority to amending the situation while working in the best interests of the shareholders.

3. Investment Restrictions

The Company is prohibited from:

3.1 Acquiring securities, if the subsequent sale of these is restricted in any way by contractual agreements;

3.2 Acquiring shares with voting rights that would enable the Company, possibly in collaboration with other investment funds under its management, to exert a significant influence on the management of an issuer;

3.3 Acquiring more than:

- 10% of the non-voting shares of a single issuer;
- 10% of the debt instruments of a single issuer;
- 25% of the units of a single UCITS or UCI;
- 10% of the money market instruments of a single issuer.

In the latter three cases, the restrictions on acquiring securities need not be observed if, at the time of acquisition, it is impossible to determine the gross sum of debt instruments or money market instruments, and the net sum of units issued.

The following are exempt from the provisions of points 3.2 and 3.3:

- securities and money market instruments which are issued or guaranteed by a Member State, its local authorities or by another approved state;
- securities and money market instruments issued or guaranteed by a non-Member state;
- securities and money market instruments issued by public international bodies to which one or more Member States of the EU belong;

- shares in a company in a non-Member State that primarily invests its assets in the securities of issuers domiciled in that non-Member State, where under that non-Member State's law, holding such shares is the only way to legally invest in the securities of that non-Member State's issuers. In doing so, the provisions of the Law of 2010 must be complied with; and
- shares in subsidiary companies that carry out certain administrative, advisory or sales activities surrounding the repurchase of units at the behest of shareholders, in the country in which they are located and exclusively on behalf of the Company.

3.4 Short-selling securities, money market instruments or other instruments listed in point 1.1(e), (g) and (h);

3.5 Acquiring precious metals or related certificates;

3.6 Investing in real estate and purchasing or selling commodities or commodities contracts;

3.7 Taking out loans, unless:
- the loan is a back-to-back loan to purchase foreign currency;
- the loan is only temporary and does not exceed 10% of the net assets of the Target Fund;

3.8 Granting loans or acting as guarantor for third parties. This restriction does not prevent the acquisition of securities, money market instruments or the other instruments listed in point 1.1(e), (g) and (h) if these are not fully paid up.

3.9 Notwithstanding the aforementioned prohibited investments, the Company is entitled to invest in the following financial instruments:
- certificates, in the broader sense, that have individual precious metals as underlying assets, that comply with the securities requirements stipulated in Article 2 of Directive 2007/16/EC, and that contain no embedded derivatives linked to the performance of an index.
- certificates, in the broader sense, that have individual commodities or commodities indices as underlying assets, that comply with the securities requirements stipulated in Article 2 of Directive 2007/16/EC, and that contain no embedded derivatives linked to the performance of an index.

The Company is authorised to introduce additional investment restrictions at any time in the interests of the shareholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which Company shares are offered and sold.

4. Asset pooling

The Company may permit internal merging and/or the collective management of assets from the Target Fund in the interest of efficiency. In such cases, assets from different sub-funds are managed collectively. A group of collectively managed assets is referred to as a "pool"; pooling is used exclusively for internal management purposes. Pools are not official entities and cannot be accessed directly by shareholders.

Pools

The Company may invest and manage all or part of the portfolio assets of two or more sub-funds (referred to as "participating sub-funds" in this context) in the form of a pool. Such an asset pool is created by transferring cash and other assets (provided these assets suit the relevant pool's investment policy) from each of the participating sub-funds to the asset pool. From then on, the Company can make transfers to the individual asset pools. Assets can also be returned to a participating sub-fund, up to the full amount equivalent to its participation.

A participating sub-fund's share in a particular asset pool is calculated in terms of notional units of equal value. When an asset pool is created, the Company must specify a starting value for the notional units (in a currency that the Company deems appropriate) and allot to each participating sub-fund notional units equivalent to the cash (or other assets) it has contributed. The value of a notional unit is then calculated by dividing the net assets of the asset pool by the number of existing notional units.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional units assigned to the relevant participating sub-fund are increased or reduced by a figure that is arrived at by dividing the cash or assets contributed or withdrawn by the participating sub-fund by the current value of that participating sub-fund's share in the pool. If cash is contributed to the asset pool, it is reduced for the purposes of calculation by an amount that the Company deems appropriate to cover any tax expenses, as well as for the closing charges and acquisition costs for the cash investment. If cash is withdrawn, a corresponding deduction may be made to account for any costs incurred in the disposal of securities or other assets of the asset pool.

Dividends, interest and other income-like distributions obtained from the assets of an asset pool are allocated to that asset pool, and thus increase its net assets. If the Company is liquidated, the assets of an asset pool are allocated to the participating sub-funds in proportion to their respective shares in the asset pool.

Collective management

To reduce operating and management costs while enabling broader diversification of investments, the Company may decide to manage part or all of the assets of one or more sub-funds collectively with those of other sub-funds or other undertakings for collective investment. In the following paragraphs, the term "collectively managed entities" refers to the Company and each of its sub-funds, as well as any entities with or between which a collective management agreement might exist. The term "collectively managed assets" refers to the whole of the assets of these collectively managed entities, which is managed in accordance with the aforementioned collective management agreement.

As part of the collective management agreement, the respective portfolio manager is entitled, on a consolidated basis for the relevant collectively managed entities, to make decisions on investments and sales of assets that affect the composition of the portfolio of the Company and its sub-funds. Each collectively managed entity holds a share in the collectively managed assets in proportion with its own net assets' contribution to the aggregate value of the collectively managed assets. This proportion held (referred to in this context as a "proportionate share") applies to all asset classes held or acquired under collective management. Investment and/or divestment decisions have no effect on a collectively managed entity's proportionate share, and future investments are allotted in proportion with it. When assets are sold, they are subtracted proportionately from the collectively managed assets held by each collectively managed entity.

When a new subscription is made with one of the collectively managed entities, subscription proceeds are allocated to each collectively managed entity taking into account the adjusted proportionate share of the jointly managed entity to which the subscription applies; this adjustment corresponds to the increase in that entity's net assets. Allocating assets from that collectively managed entity to the others changes the net asset total of each in line with its adjusted proportionate share. By the same token, when a redemption is ordered from one of the collectively managed entities, the requisite cash is taken from the collectively managed entities' cash reserves based on the proportionate shares as adjusted for the decrease in the net assets of the collectively managed entity to which the redemption applies. In this case, too, the total net assets of each will change to match its adjusted proportionate share.

Shareholders should note that the collective management agreement may lead to the composition of the assets of a particular sub-fund being affected by events (e.g. subscriptions and redemptions) that concern other collectively managed entities unless extraordinary measures are taken by the Company or an entity commissioned by the Company. Thus, all other things being equal, subscriptions received by an entity that is collectively managed with a sub-fund will result in an increase in that sub-fund's cash reserves. Conversely, redemptions received by an entity that is collectively managed with a sub-fund will serve to reduce that sub-fund's cash reserves. However, subscriptions and redemptions can be executed on the special account opened for each collectively managed entity outside the scope of the agreement, through which subscriptions and redemptions must pass. Because a large volume of subscriptions and redemptions may be ordered to these special accounts and because the Company or entities it commissions may decide to end a sub-fund's participation in the collective management agreement at any time, that sub-fund may avoid restructuring its portfolio if this could adversely affect the interests of the Company, its sub-funds and its shareholders.

If a change in the structure of the Company's portfolio, or the portfolio of one or more of its sub-funds, occurring as a result of redemptions or payments of fees and expenses associated with another collectively managed entity (i.e. one that cannot be counted as belonging to the Company or one of its sub-funds), could cause a breach of the investment restrictions on the Company or those sub-funds, the relevant assets will be excluded from the agreement before the change takes effect so that they are not impacted by the resulting adjustments.

Collectively managed assets of sub-funds will only be managed collectively with assets to be invested in pursuit of the same investment objectives. This serves to ensure that investment decisions can be reconciled with the investment policy of the relevant sub-fund in every respect. Collectively managed assets may only be managed together with assets for which the same portfolio manager is authorised to make investment and divestment decisions, and for which the Depositary also acts as depositary. This serves to ensure that the Depositary is fully capable of carrying out its functions and meeting its obligations to the Company and its sub-funds in accordance with the Law of 2010 and other legal requirements. The Depositary must always keep the assets of the Company separate from those of the other collectively managed entities; this allows it to accurately determine the assets of each individual sub-fund at any time. As the investment policies of the collectively managed entities need not correspond exactly with that of any sub-fund, the collective investment policy for these entities may be more restrictive than that of the sub-fund.

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

At any time, shareholders may request information from the Company's registered office on the proportion of collectively managed assets and on the entities with which a collective management agreement exists at the time of their enquiry.

The composition and percentages of collectively managed assets must be stated in the annual reports.

Collective management agreements with non-Luxembourg entities are permissible if (i) the agreement involving the non-Luxembourg entity is governed by Luxembourg law and subject to Luxembourg jurisdiction or (ii) each collectively managed entity is endowed with such rights that no insolvency or bankruptcy administrator, or creditor, of the non-Luxembourg entity has access to the assets or is authorised to freeze them.

5. Special techniques and instruments with securities and money market instruments as underlying assets

Subject to the conditions and limits set out in the Law of 2010, the Company and the Target Fund may use repurchase agreements, reverse repurchase agreements, securities lending agreements and/or other techniques and instruments that have securities and money market instruments as underlying assets for efficient portfolio management purposes in accordance with the requirements defined by the CSSF (the "techniques"). If such transactions relate to the use of derivatives, the terms and limits must comply with the provisions of the Law of 2010. The techniques will be used on an ongoing basis as described in the section "Exposure to securities financing transactions", but it may be decided from time to time, depending on market conditions, to suspend or reduce exposure to securities financing transactions. The use of these techniques and instruments must be in accordance with the best interests of the investors.

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

Securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them.

In the case of securities lending transactions, the Company must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Company that the value of the securities lent will be refunded.

The provisions of the section entitled "Collateral management" above shall apply accordingly to the management of collateral that was left to the Company within the scope of securities lending. In derogation of the provisions of the section entitled "Collateral management" above, shares from the finance sector are accepted as securities within the framework of securities lending.

Service providers that provide services to the Company in the field of securities lending have the right to receive a fee in return for their services that is in line with the market standards. The amount of this fee will be reviewed annually and adjusted if necessary.

Currently, 60% of the gross proceeds received from securities lending transactions negotiated at arm's length are credited to the Target Fund, while 40% of the gross proceeds are retained as costs/fees by UBS Europe SE, Luxembourg Branch as the securities lending intermediary and UBS Switzerland AG as the securities lending intermediary and UBS Switzerland AG as the securities lending service provider. All costs/fees for operating the securities lending program are paid from the securities lending agent's share of gross income. This includes all direct and indirect costs/fees incurred through securities lending activities. UBS Europe SE, Luxembourg Branch and UBS Switzerland AG are part of the UBS Group.

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

The board of directors of the Company has approved instruments of the following asset classes as collateral from securities lending transactions and determined the following haircuts to be used on these instruments:

Asset class	**Minimum haircut (% deduction from market value)**
Fixed and variable-rate interest-bearing instruments	
Instruments issued by a state belonging to the G-10 (excluding the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons as issuers) and with a minimum rating of A*	2%
Instruments issued by the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons**	0%
Bonds with a minimum rating of A	2%
Instruments issued by supranational organisations	2%
Instruments issued by an entity and belonging to an issue with a minimum rating of A	4%
Instruments issued by a local authority and with a minimum rating of A	4%
Shares	**8%**
Equities listed on the following indexes are accepted as permissible collateral:	Bloomberg ID
Australia (S&P/ASX 50 INDEX)	AS31
Austria (AUSTRIAN TRADED ATX INDX)	ATX
Belgium (BEL 20 INDEX)	BEL20
Canada (S&P/TSX 60 INDEX)	SPTSX60
Denmark (OMX COPENHAGEN 20 INDEX)	KFX
Europe (Euro Stoxx 50 Pr)	SX5E
Finland (OMX HELSINKI 25 INDEX)	HEX25
France (CAC 40 INDEX)	CAC
Germany (DAX INDEX)	DAX
Hong Kong (HANG SENG INDEX)	HSI
Japan (NIKKEI 225)	NKY
Netherlands (AEX-Index)	AEX
New Zealand (NZX TOP 10 INDEX)	NZSE10
Norway (OBX STOCK INDEX)	OBX
Singapore (Straits Times Index STI)	FSSTI
Sweden (OMX STOCKHOLM 30 INDEX)	OMX
Switzerland (SWISS MARKET INDEX)	SMI

Switzerland (SPI SWISS PERFORMANCE IX)	SPI
UK (FTSE 100 INDEX)	UKX
US (DOW JONES INDUS. AVG)	INDU
US (NASDAQ 100 STOCK INDX)	NDX
US (S&P 500 INDEX)	SPX
US (RUSSELL 1000 INDEX)	RIY
* In this table, “rating” refers to the rating scale used by S&P. Ratings by S&P, Moody’s and Fitch are used in line with their corresponding scales. If the ratings given to a certain issuer by these rating agencies are not uniform, then the lowest rating shall apply. ** Unrated issues by these states are also permissible. No haircut is applied to these either.	

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

i. Counterparties to a repurchase/reverse repurchase agreement or securities lending agreement will be entities with legal personality typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

ii. The Company must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

iii. When the Company enters into a reverse repurchase agreement it must ensure that it is able at any time to recall the full amount of cash (including the interest incurred up to the time of being recalled) or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Target Fund. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

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

v. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the UCITS Directive.

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

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

In general, the following applies to total return swaps:

i. One hundred percent (100%) of the gross return from total return swaps less direct and indirect operating costs/fees reverts to the Target Fund.

ii. All direct and indirect operating costs/fees incurred on total return swaps will be paid to the entities outlined in the annual and semi-annual report of the Company.

iii. There are no fee-splitting arrangements for total return swaps.

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

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

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

FEES AND CHARGES OF THE TARGET FUND

Preliminary Charge	Up to 4.00% of the net asset value per share of the Target Fund. ***Please note that the Fund will not be charged the preliminary charge when it invests in the Target Fund.***
Redemption Fee	Not applicable.
Maximum Flat Fee (Maximum Management Fee)	Up to 2.45% per annum of the net asset value of the Target Fund. ***Please note that management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the annual management fee charged by us at the Fund level. There is no double charging of management fee.***

SUSPENSION OF NET ASSET VALUE CALCULATION, SUSPENSION OF THE ISSUE AND REDEMPTION OF SHARES OF THE TARGET FUND

The Company may temporarily suspend the calculation of the net asset value of the Target Fund, as well as the issue and redemption of shares, for one or more business days due to the following:

- the closure, other than for customary holidays, of one or more stock exchanges used to value a substantial portion of the net assets, or of foreign exchange markets in whose currency the net asset value, or a substantial portion of the net assets, is denominated, or if trade on these stock exchanges or markets is suspended, or if these stock exchanges or markets become subject to restrictions or experience major short-term price fluctuations;
- events beyond the control, liability or influence of the Company and/or Management Company prevent access to the net assets under normal conditions without causing severe detriment to shareholder interests;
- disruptions in the communications network or any other event that prevents the value of a substantial portion of the net assets from being calculated;
- circumstances making it impossible for the Company to repatriate funds to pay redemption orders in the Target Fund, or where the board of directors of the Company deems the transfer of funds from the sale or for the acquisition of investments, or for payments following share redemptions, to be impossible at normal exchange rates;
- political, economic, military or other circumstances outside the control of the Company prevent the disposal of the Company's assets under normal conditions without seriously harming the interests of the shareholders;
- for any other reason the value of assets held by the Target Fund cannot be promptly or accurately determined;
- the convocation of an extraordinary general shareholders' meeting for the liquidation of the Company has been published;
- such a suspension is justified for the protection of the shareholders, after the convening notice of an extraordinary general shareholders' meeting for the merger of the Company or of the Target Fund, or a notice to the shareholders on a decision by the board of directors of the Company to merge one or more sub-funds of the Company was published; and
- the Company can no longer settle its transactions due to restrictions on foreign exchange and capital movements.

This Information Memorandum describes the features of the Target Fund in accordance with the Target Fund Prospectus and we recommend that this Information Memorandum should be read in conjunction with the Target Fund Prospectus which is available at the business address of the Manager. We take all reasonable efforts to ensure the accuracy of the disclosure in this Information Memorandum in relation to the Target Fund, including obtaining the confirmation from the Management Company. However, in the event of any inconsistency or ambiguity in relation to the disclosure, including any word or phrase used in this Information Memorandum regarding the Target Fund as compared to the Target Fund Prospectus, the Target Fund Prospectus shall prevail.

UNDERSTANDING THE RISKS OF THE FUND AND THE TARGET FUND

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

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

	GENERAL RISKS OF THE FUND
Market risk	Market risk arises because of factors that affect the entire market place. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. Market risk cannot be eliminated but may be reduced through diversification. It stems from the fact that there are economy-wide perils, or instances of political or social instability which threaten all businesses. Hence, the Fund will be exposed to market uncertainties and fluctuations in the economic, political and social environment that will affect the market price of the investments either in a positive or negative way.
Fund management risk	This risk refers to the day-to-day management of the Fund by us which will impact the performance of the Fund. For example, investment decisions undertaken by us as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the Deed, relevant law or guidelines due to factors such as human error, fraud, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the Fund.
Performance risk	This Fund is a feeder fund which invests in another CIS, namely the Target Fund. The performance of the Fund very much depends on the performance of the Target Fund. If the Target Fund does not perform in accordance with its objective, the performance of the Fund will also be impacted negatively. The performance of the Target Fund and consequently of this Fund may go down as well as up, depending on the circumstances prevailing at a particular given time. On that basis, there is never a guarantee that investing in the Fund will produce a positive investment returns in accordance with its objective.
Inflation risk	This is the risk that your investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Loan / Financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed/financed money includes you being unable to service the loan/financing repayments. In the event Units are used as collateral, you may be required to top-up your existing instalment if the prices of Units fall below a certain level due to market conditions. Failing which, the Units may be sold at a lower NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan/financing.
Operational risk	This risk refers to the possibility of a breakdown in the Manager's internal controls and policies. The breakdown may be a result of human error, system failure or fraud where employees of the Manager collude with one another. This risk may cause monetary loss and/or inconvenience to you. The Manager will review its internal policies and system capability to mitigate instances of this risk. Additionally, the Manager maintains a strict segregation of duties to mitigate instances of fraudulent practices amongst employees of the Manager.
Suspension of repurchase request risk	Having considered the best interests of Unit Holders, the repurchase requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the Fund's assets cannot be determined or any other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. Such exceptional circumstances may include, amongst other, suspension of dealing by the Target Fund. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time. Hence, their investments will continue to be subject to the risks inherent to the Fund.

Related party transaction risk	The Fund may also have dealings with parties related to AHAM. Nevertheless, it is our policy that all transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.

	SPECIFIC RISKS OF THE FUND
Concentration risk	This Fund is a feeder fund which invests in a single CIS. Any adverse effect on the Target Fund will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the Target Fund. This risk may be mitigated as we are allowed to take temporary defensive positions in response to adverse market conditions. We are also able to substitute the Target Fund with another fund with similar objective of the Fund if, in our opinion, the Target Fund no longer meets the Fund's objective subject to Unit Holders' approval. For better understanding of the risks associated with the Target Fund, please refer to the "*Risks of the Target Fund*".
Liquidity risk	This is the risk that the shares of the Target Fund that is held by the Fund cannot be readily sold and converted into cash. This can occur when there is a restriction on realisation of shares of the Target Fund. The Target Fund Manager may suspend the realisation of shares of the Target Fund, or delay the payment of realisation proceeds in respect of any realisation request received, during any period in which the determination of the net asset value of the Target Fund is suspended. As a result, the Fund may not be able to receive the repurchase proceeds in a timely manner which in turn may delay the payment of repurchase proceeds to the Unit Holders. In managing liquidity risk, we will maintain sufficient liquidity level for the purposes of meeting repurchase requests. Please refer to the "*Suspension of Dealing in Units*" section of this Information Memorandum for more details.
Counterparty risk	Counterparty risk is the risk associated with the ongoing ability and willingness of the issuers to derivatives ("investments") to fulfil their respective financial commitments to the Fund in a timely manner. Bankruptcy, fraud or regulatory non-compliance arising out of and/or in connection with the issuers may impair the operations and/or the performance of the Fund. However, we will conduct stringent credit selection process of the issuers of the investments prior to commencement of investments and monitoring mechanisms established by us may potentially mitigate this risk. If, we are of the opinion there is material adverse change to an issuer, we may consider unwinding the issuer's investment to mitigate potential losses that may arise.
Country risk	Investments of the Fund in the Target Fund which is domiciled in Luxembourg may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of Luxembourg. For example, the deteriorating economic condition of that country may adversely affect the value of the investments undertaken by the Fund and in turn may cause the NAV of the Fund or prices of Units to fall.
Currency risk	As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated (other than in USD) depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. You should note that any gain or loss arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. ***Currency risk at the Fund level*** The impact of the exchange rate movement between the Base Currency and the currency of the underlying investments of the Fund (other than in USD) may result in a depreciation of the value of the investments as expressed in the Base Currency.

	SPECIFIC RISKS OF THE FUND
	Currency risk at the Class level The impact of the exchange rate movement between the Base Currency and the currency of the respective Classes (other than USD Class) may result in a depreciation of your holdings as expressed in the Base Currency. ***Currency risk at the Hedged-class level*** Currency hedging reduces the effect of exchange rate movements for the Hedged-class, but it does not entirely eliminate currency risk between the Hedged-class and the Base Currency (not a perfect hedge). Hence, the unhedged portion of the respective Hedged-class will be affected by the exchange rate movements and it may cause fluctuation of NAV of the respective Hedged-class. You should note, however, that if the exchange rate moves favourably, the Hedged-class would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum investment size of entering into a forward contract and the cost of hedging which may affect returns of the respective Hedged-class.
Target Fund Manager risk	The Target Fund (which the Fund invests in) is managed by the Target Fund Manager. It is important to note that the Manager has no control over the investment management techniques and operational controls of the Target Fund. Thus, mismanagement of the Target Fund (i.e. breach of its prescribed investment restriction due to human error) may negatively affect the Fund (as an investor of the Target Fund). Should such a situation arise, the Manager may propose to invest in other alternative CIS that is consistent with the investment objective of the Fund provided always that the approval of the Unit Holders has been obtained.
Distribution out of capital risk	The Fund may distribute income out of capital. Such capital distributions represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained.

	RISKS OF THE TARGET FUND
Investing in emerging markets	The term "emerging markets" is used to describe markets included in the International Finance Corporation Composite Index and/or the MSCI Emerging Markets Index and other countries that are at a comparable level of economic development, or in which there are new equity markets. Emerging markets are at an early stage of development and suffer from higher risks of expropriation and nationalisation, as well as social, political and economic instability. The following is an overview of the general risks entailed in emerging markets: – Counterfeit securities – due to inadequate supervisory structures, it is possible that securities purchased by the Target Fund could be counterfeit. It is therefore possible to suffer losses. – Illiquidity – the buying and selling of securities can be costlier, more time-consuming and generally more difficult than on more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility. – Volatility – investments in emerging markets may post more volatile performances than those in developed markets. – Currency fluctuations – compared to the Target Fund’s currency of account, the currencies of countries in which the Target Fund invests may be subject to substantial fluctuations after the Target Fund has invested in these currencies. Such fluctuations may have a significant impact on the Target Fund’s income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.

	RISKS OF THE TARGET FUND
	– Currency export restrictions – it cannot be ruled out that emerging markets may limit or temporarily suspend the export of currencies. Consequently, it would not be possible for the Target Fund to draw any sales proceeds without delays. To minimise the possible impact on redemption applications, the Target Fund will invest in a large number of markets. – Settlement and custody risks – the settlement and custody systems in emerging market countries are less well developed than those in developed markets. Standards are not as high and the supervisory authorities not as experienced. Consequently, settlement may be delayed, thereby posing disadvantages for liquidity and securities. – Restrictions on buying and selling – in some cases, emerging markets can place restrictions on the purchase of securities by foreign investors. Some equities are thus not available to the Target Fund because the maximum number allowed to be held by foreign shareholders has been exceeded. In addition, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should the Target Fund be barred due to such a restriction from selling its securities in an emerging market, it will try to obtain an exceptional approval from the relevant authorities or to counter the negative impact of this restriction through its investments in other markets. The Target Fund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed. – Accounting – the accounting, auditing and reporting standards, methods, practices and disclosures required of companies in emerging markets differ from those in developed markets in terms of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options. Depending on the investment weighting in emerging markets in the Target Fund, the Target Fund is suitable for risk-conscious investors.
Environmental Social and Governance ("ESG") Risks	Sustainability risk means an environmental, social or governance event or condition which could have a material or potentially substantial adverse effect on the value of the investment. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment.
Specific risks of investing in the People's Republic of China **a) Market risks in China**	Investments in the securities markets in the PRC are subject to the general risks of investing in emerging markets and the specific risks of investing in the markets in the PRC. Many of the economic reforms implemented in the PRC are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as A shares. The profitability of the investments of the Target Fund could be adversely affected by a worsening of general economic conditions in the PRC or on the global markets. Factors such as government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit in the PRC, the liquidity of the financial markets in the PRC and the level and volatility of share prices could significantly affect the value of the Target Fund's underlying investments and thus the share price. The choice of A shares and RMB-denominated debt instruments currently available to the Target Fund Manager may be limited relative to the choice available in other markets. There may also be a lower level of liquidity in the relevant markets in the PRC, which are smaller, in terms of both the overall market value and the number of securities available for investment, than other markets. This could potentially lead to strong price volatility.

	RISKS OF THE TARGET FUND
	The national regulatory and legal framework for capital markets and joint stock companies in the PRC is still developing relative to that of industrialised countries. However, the overall effects of such reforms on the A share market remain to be seen. In addition, there is a relatively low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Furthermore, the regulations are under development and may change without notice, which may further delay redemptions or restrict liquidity. The Chinese securities markets and activities of investors, brokers and other market participants may not be regulated and monitored to the same extent as in more-developed markets. Companies in the PRC are required to follow PRC accounting standards and practices, which, to a certain extent, correspond to international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practices and those prepared in accordance with international accounting standards. Both the Shanghai and Shenzhen securities markets are in the process of development and are subject to change. This may lead to volatile trading, difficulties with the settlement and recording of transactions and problems interpreting and applying the relevant regulations. The government of the PRC has developed a comprehensive regime of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, there are some uncertainties regarding their interpretation and enforcement. In addition, the laws for investor protection in the PRC are still under development and may be less sophisticated than those in industrialised countries. Investments in the PRC will be very sensitive to any significant changes in social, economic or other policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments. State control over currency conversion in the PRC and future movements in exchange rates may adversely affect the operations and financial results of the companies in which the Target Fund invests. In light of the above-mentioned factors, the price of A shares may fall significantly in certain circumstances.
b) QFI risk	**QFI Status** Under the provisions in force in the PRC, foreign investors can invest in the A share market and other QFI eligible securities through institutions that have obtained qualified investor status in the PRC such as QFI status. The current QFI regulations impose strict restrictions (such as investment guidelines) on A share investments. The Target Fund itself is not a QFIs, but may invest directly in A shares and other QFI eligible securities by means of the QFI status of the Target Fund Manager. Potential investors should note that there is no guarantee that the Target Fund will continue to benefit from the QFI status of the Target Fund Manager, nor that it will be made exclusively available to the Target Fund. No guarantee can be given that redemption orders can be processed in a timely manner in the event of adverse changes in relevant laws or regulations, including changes in QFI repatriation restrictions. Such restrictions may result in the suspension of the Target Fund trading activities. Should the Target Fund Manager lose its QFI status, cease trading or be removed, the Target Fund may not be able to invest in A shares or other QFI eligible securities through the QFI status of the Target Fund Manager, and the Target Fund may be required to sell its positions, which would likely have an adverse effect on the Target Fund.

QFI regulations

The QFI regulations that govern investments by QFIs in the PRC as well as repatriation and currency conversion are relatively new. The application and interpretation of the QFI regulations are therefore relatively untested and there is uncertainty about how they will be applied. The CSRC and the State Administration of Foreign Exchange ("SAFE") in the PRC have been given broad discretionary powers in relation to the QFI regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this early stage of development, the QFI regulations may be subject to further revisions in the future. It is uncertain whether such revisions will prejudice the QFIs, or whether the QFI status of the Target Fund Manager which is subject to review from time to time by CSRC and SAFE, may be revoked entirely.

PRC Brokers

In its capacity as QFI, the Target Fund Manager will also select brokers ("PRC Brokers") to execute transactions for the Target Fund in the markets in the PRC. The Target Fund may have difficulty obtaining best execution of transactions involving QFI eligible securities due to restrictions/limits under the applicable QFI regulations or operational constraints such as a restriction/limit on the number of brokers that the Target Fund Manager may appoint in its capacity as QFI. If a PRC Broker offers the Target Fund standards of execution that the Target Fund Manager is satisfied are best practice in the marketplace in the PRC, the Target Fund Manager may determine that transactions consistently be executed with that PRC Broker (even if it is an affiliate), regardless of the fact that they might not be executed at the best price and the fact that there is no accountability towards the Target Fund for the difference between the price at which the Target Fund executes transactions and any other price that might have been available in the market at the relevant time.

Custody

The Depositary of the Target Fund holds the Target Fund's assets in custody. The QFI acting on behalf of the Target Fund and the Depositary will appoint a sub-custodian for the Target Fund (the "PRC Sub-Custodian"), and the PRC Sub-Custodian will hold in custody the assets of the Target Fund invested in the PRC through the Target Fund Manager's QFI status.

Any QFI eligible securities acquired by the Target Fund through the Target Fund Manager's QFI status will be kept by the PRC Sub-Custodian in separate securities accounts and will be registered for the sole benefit and use of the Target Fund or the Company (for account of the Target Fund) subject to the applicable laws. The assets will be segregated by the PRC Sub-Custodian such that the assets of the Target Fund do not form part of the assets of the Target Fund Manager in its capacity as QFI, the PRC Sub-Custodian, or the PRC Brokers. However, subject to the investment regulations, the Target Fund Manager (in its capacity as QFI) could be the party entitled to the securities in such securities accounts (even though this entitlement does not constitute an ownership interest or preclude the Target Fund Manager from purchasing the securities for the Target Fund), meaning that such securities may be vulnerable to a claim by a liquidator of the Target Fund Manager and may not be as well protected as if they were registered solely in the name of the Target Fund. In particular, there is a risk that creditors of the Target Fund Manager may incorrectly assume that the Target Fund 's assets belong to the Target Fund Manager and such creditors could seek to gain control of the Target Fund 's assets to meet the Target Fund Manager's liabilities to such creditors.

Investors should note that cash deposited in the cash account of the Target Fund with the PRC Sub-Custodian will not be segregated but may be a liability of the PRC Sub-Custodian in respect of the Target Fund as a depositor. Such cash will be pooled with cash belonging to other clients of the PRC Sub-Custodian. In the event of bankruptcy or liquidation of the PRC Sub-Custodian, the Target Fund may not have any ownership rights to the cash deposited in such cash account, and the Target Fund could become

	an unsecured creditor, ranking pari passu with all other unsecured creditors of the PRC Sub-Custodian. The Target Fund may have difficulties and/or encounter delays recovering such debt, or might not be able to recover the debt in full or at all, in which case the Target Fund would suffer losses. **Redemption restrictions** Transfers and repatriations for the account of the Target Fund may be made on a daily basis by the PRC Sub-Custodian through the Target Fund Manager's QFI status to meet the net subscriptions and redemptions of shares of the Target Fund/Company (as the case may be). Please note that there is no certainty that there will be no regulatory restrictions in the PRC on the repatriation of monies by the Target Fund in future. The investment regulations and/or the approach adopted by SAFE in relation to the repatriation of monies may change from time to time. **Clearing reserve fund risk** Under the QFI regulations, the PRC Sub-Custodian is required to deposit a minimum clearing reserve fund, the percentage amount of which is determined from time to time by China Securities Depository and Clearing Corporation Limited (Shanghai, Shenzhen and Beijing branches) (the "CSDCC"). The PRC Sub-Custodian will deposit a portion of the assets of the Target Fund as part of the minimum clearing reserve fund. The minimum clearing reserve percentage is determined by the CSDCC from time to time and will be deposited by the PRC Sub-Custodian into the minimum clearing reserve fund. If the value of securities in the PRC increases, the Target Fund's assets held in the clearing reserve fund could have a negative effect on the performance of the Target Fund. On the other hand, the performance of the Target Fund can be better than it otherwise would have been during periods when the value of securities falls in the PRC.
c) Risks relating to securities trading in mainland China via Stock Connect	If the Target Fund investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. Shareholders should note in particular that Stock Connect is a new trading programme. There is currently no empirical data. Furthermore, the corresponding provisions could change in future. Stock Connect is subject to quota limits that could restrict the Target Fund’s ability to perform transactions in a timely manner via Stock Connect. This could impair the Target Fund’s ability to effectively implement its investment strategy. The scope of Stock Connect initially encompasses all securities included on the SSE 180 Index and SSE 380 Index, as well as all Chinese A shares listed on the Shanghai Stock Exchange (“SSE”). It also extends to all securities included in the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index with a market capitalisation of at least RMB 6 billion, as well as to all Chinese A shares listed on the Shenzhen Stock Exchange (“SZSE”). Shareholders should also note that under the applicable regulations, a security can be removed from the Stock Connect programme. This could have an adverse effect on the Target Fund’s ability to achieve its investment objective, for example if the Target Fund Manager wishes to acquire a security that has been removed from the Stock Connect programme. **Beneficial owner of SSE shares/SZSE shares** Stock Connect consists of the northbound link, through which investors in Hong Kong and abroad – such as the Target Fund – may acquire and hold Chinese A shares listed on the SSE (“SSE shares”) and/or SZSE (“SZSE shares”), and the southbound link, through which investors in mainland China may acquire and hold shares listed on the Hong Kong Stock Exchange (“SEHK”). The Target Fund trades in SSE and/or SZSE shares through its broker, which is associated with the Company’s sub-depositary and admitted to the SEHK. After settlement by brokers or depositaries (the clearing agents), these SSE shares or SZSE shares shall be held in accounts in the Hong Kong Central Clearing and Settlement System (“CCASS”), maintained by Hong Kong Securities and Clearing Company Limited (“HKSCC”), the central securities depositary in Hong Kong and the nominee. HKSCC in turn holds the SSE shares and/or SZSE

shares of all participants on a "Single Nominee Omnibus Securities Account", which is registered in its name with ChinaClear, the central securities depositary in mainland China.

Since HKSCC is only the nominee and not the beneficial owner of the SSE shares and/or SZSE shares, if HKSCC were to be wound down in Hong Kong, the SSE shares and/or SZSE shares would not be deemed part of HKSCC's general assets available for distribution to creditors, even under PRC law. However, HKSCC is not required to take legal measures or initiate legal proceedings to enforce rights on behalf of investors in SSE shares and/or SZSE shares in mainland China. Foreign investors – such as the Target Fund – who invest through Stock Connect and hold SSE shares and/or SZSE shares via HKSCC are the beneficial owners of the assets and are therefore entitled to exercise their rights exclusively through the nominee.

The Investor Compensation Fund

Investments via Stock Connect are carried out using brokers and are subject to the risk of these brokers defaulting on the payment of their obligations. For payment defaults arising on or after 1 January 2020, the Hong Kong Investor Compensation Fund covers investor losses in relation to securities traded on a stock market operated by the SSE or SZSE and for which purchase or sale orders may be transmitted through the Northbound Link of a Stock Connect agreement. However, as the Target Fund executes Northbound trades through securities brokers in Hong Kong but not through securities brokers in mainland China, they are not protected by the China Securities Investor Protection Fund in mainland China.

Risk of quotas being used up

Once the daily quotas for northbound and southbound transactions have been reached, acceptance of corresponding purchase orders will be immediately suspended and no further purchase orders will be accepted for the rest of the day. Purchase orders that have already been accepted are not affected in the event the daily quota is used up. Sell orders will continue to be accepted.

Risk of payment default at ChinaClear

ChinaClear has set up a risk management system, and has taken measures that have been approved by the CSRC and are subject to its supervision. Under the general CCASS rules, should ChinaClear (as the central counterparty) not meet its obligations, HKSCC shall attempt, where applicable, in good faith to claim the outstanding Stock Connect securities and ChinaClear funds via the available legal channels available and during the winding up of ChinaClear.

HKSCC shall, in turn, distribute the Stock Connect securities and/or funds that can be reclaimed pro rata to qualified participants in accordance with the regulations of the competent Stock Connect authority. Investors should be aware of these regulations and the potential risk of a payment default by ChinaClear before investing in the Target Fund and its participation in northbound trading.

Risk of HKSCC payment default

Should HKSCC be delayed in fulfilling its obligations, or even fail to do so altogether, this could lead to settlement default or the loss of Stock Connect securities and/or associated funds. The Target Fund and its investors could incur losses as a result. Neither the Target Fund nor the Target Fund Manager is responsible or liable for such losses.

Ownership of Stock Connect securities

Stock Connect securities are unsecuritised and held by HKSCC on behalf of their holders. The physical deposit and withdrawal of Stock Connect securities are not available to the Target Fund under northbound trading.

The ownership and ownership rights of the Target Fund and entitlements to Stock Connect securities (regardless of the legal nature thereof, in equity jurisprudence or otherwise) are subject to the applicable requirements, including the laws on the

	disclosure of interests and the restrictions on foreign share ownership. It is unclear whether the Chinese courts recognise investors and would grant them standing to initiate legal proceedings against Chinese companies in the event of disputes. This is a complex legal area and investors should seek independent professional advice.
d) Risks relating to suspension of trading on Chinese stock markets	Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits for A shares are imposed by the stock exchanges, meaning that trading in A shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make it impossible to trade in the existing positions and would potentially expose the Target Fund to losses. Further, when the suspension is subsequently lifted, it may not be possible for the Target Fund to liquidate positions at a favourable price, which could also entail losses for the Target Fund.
e) Investment restrictions	Since, under the provisions in force in the PRC, there are limits on the total amount of shares in any one company listed in the PRC that may be held by all underlying foreign investors and/or a single foreign investor, the capacity of the Target Fund to make investments in A shares will be affected by the activities of all underlying foreign investors. It will be difficult in practice for the Target Fund Manager in its capacity as QFI to monitor the investments of the underlying foreign investors, since an investor may make investment through various QFIs or other permitted channels.
f) Disclosure of interests and short-swing profit rule	Under the disclosure of interest provisions in force in the PRC, the Target Fund may be deemed to be acting in concert with other funds or sub-funds managed within the Target Fund Manager's group or a substantial shareholder of the Target Fund Manager's group, and therefore may be subject to the risk that the Target Fund's holdings may have to be reported along with the holdings of such other funds or sub-funds mentioned above, if the aggregate holdings reach the reporting threshold under PRC law (currently 5% of the total number of issued shares of the relevant company listed in the PRC). This may disclose the Target Fund's holdings to the public with an adverse impact on the performance of the Target Fund. In addition, subject to the interpretation of the courts and supervisory authorities in the PRC, the short-swing profit rule applicable in the PRC may apply to the Target Fund's investments with the result that where the holdings of the Target Fund (possibly, along with the holdings of other investors deemed to form an investor group together with the Target Fund) exceed 5% of the total number of issued shares of a company listed in the PRC, the Target Fund may not reduce its holdings in that company within six months of the last purchase of shares of that company. If the Target Fund violates this rule and sells any of its shareholding in that company in the six-month period, it may be required by the listed company to return to the listed company any profits made on the trade. Moreover, under PRC civil law, the Target Fund's assets may be frozen up to the amount of the claims made by that company. These risks may greatly impair the performance of the Target Fund.
g) RMB currency risk	The risk associated with state currency control in the PRC and future movements in exchange rates may adversely affect the operations and financial results of companies in which the Target Fund invests. RMB is not a freely convertible currency and is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. If such policies or restrictions change in the future, the position of the Target Fund or its investors may be adversely affected. No guarantee can be given that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or short supply. There is no guarantee that RMB will not depreciate.
h) Fixed-income securities risks	Investment in the Chinese debt instruments market may be subject to higher volatility and stronger price fluctuations than investment in debt instruments in more-developed markets. RMB-denominated debt instruments can be issued by a variety of issuers inside or

	outside the PRC. These issuers may have different risk profiles and their rating may vary. RMB-denominated debt instruments are generally unsecured debt instruments not backed by any collateral. As an unsecured creditor, the Target Fund may be fully exposed to the credit/insolvency risk of its counterparties. Changes in the macroeconomic policies of the PRC (i.e. monetary policy and fiscal policy) will have an influence over capital markets and affect the pricing of the debt instruments and, thus, the returns of the Target Fund. The value of RMB-denominated debt instruments held by the Target Fund will run counter to changes in interest rates and such changes may affect the value of the Target Fund's assets accordingly. RMB-denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt instruments are incorrectly priced. Valuations are based primarily on the valuations from independent third-party sources, provided prices are available; therefore, there may be some uncertainty surrounding valuations at times, and a sound calculation and independent pricing information may not be available at all times. Many debt instruments in the PRC do not have a rating assigned by an international credit rating agency. The credit rating system in the PRC is still at an early stage of development; there is no standard credit rating methodology for valuing assets, and the same rating scale may have different meanings in different agencies. The assigned ratings may not reflect the actual financial strength of the valued asset. A worsening financial situation or the downgrade of an issuer's credit rating may lead to higher volatility and adversely affect the price of the corresponding debt instruments denominated in RMB. In turn, this can have a negative effect on the liquidity, meaning that it becomes harder to sell these debt instruments. Under the provisions in force in the PRC and according to the investment objective of the Target Fund, the assets of the Target Fund may be invested in unrated or low-rated debt instruments, which are subject to greater risk of loss of principal and interest income than higher rated debt instruments.
i) Risk of investing in other undertakings with exposure to PRC securities	The Target Fund will be subject to the same types of risks as the other undertakings in proportion to its holdings of those specific underlying funds. Different underlying funds in which the Target Fund invests have different underlying investments. The risks associated with such underlying investments, in particular with exposure to PRC securities, would be similar to the risks as set out above.
j) Risk information on investments traded on the CIBM	The bond market in mainland China comprises the interbank bond market and the listed bond market. The CIBM was established in 1997 as an OTC market, and it accounts for 90% of all bond trades in China. Primarily, government bonds, corporate bonds, bonds issued by state-owned banks and medium term debt instruments are traded on this market. The CIBM is undergoing a phase of development and internationalisation. Market volatility and a potential lack of liquidity due to low trade volumes can lead to dramatic fluctuations in certain debt securities traded on this market. The Target Fund is therefore exposed to liquidity and volatility risk, and may suffer losses from mainland Chinese bond trades. In particular, the bid and offer spread of mainland Chinese bonds may be wide, and selling such investments may thus generate considerable trading and realisation costs for the Target Fund. The Target Fund may also incur risks in connection with settlement processes and counterparty default. It is possible that the Target Fund may enter into transactions with counterparties who are then unable to fulfil their obligations by delivering or paying for the appropriate securities. The CIBM is also subject to regulatory risk.
k) Risk Information on investments traded on the CIBM via the Northbound	Bond Connect was set up by the China Foreign Exchange Trade System & National Interbank Funding Centre (“CFETS”), the China Central Depository & Clearing Co. Ltd (“CCDC”), the Shanghai Clearing House (“SCH”), the Hong Kong Stock Exchange (“HKEx”) and the Central Moneymarkets Unit (“CMU”). In accordance with the

Trading Link through Bond Connect	applicable regulations in mainland China, eligible foreign investors may invest in bonds on the CIBM via the Bond Connect Northbound Trading Link. No investment quotas are imposed under the Northbound Trading Link. As part of the Northbound Trading Link, eligible foreign investors must appoint the CFETS or another institution recognised by the People's Bank of China ("PBC") as registrar; this will enable them to register with the PBC. The Northbound Trading Link uses trading platforms outside mainland China that are connected to the CFETS, allowing eligible foreign investors to submit their trade orders for bonds on the CIBM through Bond Connect. The HKEx and the CFETS work with electronic offshore bond trading platforms in order to provide electronic trading services and platforms that enable direct trade between eligible foreign investors and eligible onshore traders in mainland China via the CFETS. Eligible foreign investors can submit trade orders for bonds on the CIBM via the Northbound Trading Link, which is made available through electronic offshore bond trading platforms such as Tradeweb and Bloomberg. These platforms then submit investors' requests for quotes to the CFETS. The CFETS sends the requests for quotes to a range of eligible onshore traders (including market makers and other brokers in the market making business) in mainland China. The eligible onshore traders respond to the requests for quotes via the CFETS, which then sends the responses to the eligible foreign investors through the same electronic offshore bond trading platforms. If an eligible foreign investor accepts the offer, the trade is closed on the CFETS. Meanwhile, the settlement and custody of bonds traded on the CIBM through Bond Connect is carried out via the settlement and custody link between the CMU as the offshore depositary and the CCDC and SCH as the onshore depositaries and clearing houses in mainland China. Under the settlement link, the CCDC or the SCH settles confirmed trades onshore on a gross basis, while the CMU processes the bond settlement instructions from CMU members on behalf of the eligible foreign investors and in accordance with the applicable rules. In accordance with the applicable regulations in mainland China, the CMU, as the offshore depositary recognised by the Hong Kong Monetary Authority ("HKMA"), opens nominee accounts with the onshore depositary recognised by the PBC (i.e. the CCDC and Hong Kong Interbank Clearing Limited). All bonds held by eligible foreign investors are registered in the name of the CMU, which will be the nominee holder of the bonds. **Segregation of assets** Under Bond Connect, assets are maintained by the onshore and offshore central securities depositaries ("CSD") at three rigidly divided levels. Investors who trade through Bond Connect are required to hold their bonds in a separate account maintained by the offshore depositary in the name of the end investor. Bonds acquired through Bond Connect are held in onshore accounts at the CCDC in the name of the HKMA. Ultimately, the investors are the beneficial owners of the bonds by means of a segregated account structure with the CMU in Hong Kong. **Clearing and settlement risk** The CMU and the CCDC have established a clearing network, where each is a clearing member of the other. This helps facilitate the clearing and settlement of cross-border transactions. In cross-border transactions initiated in one of the markets, the clearing house in that market clears/settles the transaction with their own clearing members; at the same time, it undertakes to fulfil the clearing and settlement obligations of its clearing members towards the counterparty's clearing house. As the national central counterparty for the PRC's securities market, the CCDC operates a comprehensive bond clearing, settlement and custody network. The CCDC has established a risk management framework and measures that have been approved by the PBC and that are subject to monitoring. The risk of default by the CCDC is considered extremely low. Under its agreements with the clearing members, in the unlikely event that the

	CCDC defaults, the CMU's obligations in relation to Bond Connect bonds are limited to helping the clearing members assert their claims against the CCDC. The CMU will make every effort to recover the outstanding bonds and sums from the CCDC in good faith via the available legal channels, or by liquidating the CCDC. In this event, the Target Fund may experience delays in recovering these sums. Under certain circumstances, it may be unable to fully recover its losses from the CCDC. **Regulatory risk** Bond Connect is a new concept. The current provisions have therefore not been tested yet and there is no certainty as to how they will be implemented in practice. In addition, the current regulations may be subject to changes (that may apply retroactively), and there is no guarantee that the Bond Connect scheme will be permanent. Over time, the supervisory authorities in the PRC and Hong Kong may introduce new regulations in connection with business activities, the legal enforcement of claims and cross-border transactions under Bond Connect. Such changes may have a negative effect on the Target Fund. Macroeconomic policy reforms and changes (e.g. to monetary and fiscal policy) may affect interest rates. This can have an adverse impact on the prices and returns of bonds held in the portfolio. **Foreign exchange risk** As the base currency of the Target Fund is not the RMB, it may also be exposed to currency risk, as investments in bonds traded on the CIBM through Bond Connect must be converted into RMB. These currency conversions may also incur conversion costs for the Target Fund. The exchange rate may be subject to fluctuation; if the RMB is devalued, the Target Fund may experience losses when converting its gains from the sale of CIBM bonds into its base currency. Further information on Bond Connect can be found online at http://www.chinabondconnect.com/en/index.htm.
Tax-related risk factors in the PRC	Tax considerations for Chinese A shares and other securities. There are risks and uncertainties associated with the applicable tax laws and regulations and the current tax practice in the PRC for capital gains and interest income realised for the Target Fund's investments in PRC securities (that may apply retroactively). A high tax liability for the Target Fund may have a negative effect on the Target Fund's value. The following principles formed on the basis of independent, professional tax advice apply to the creation of tax provisions for the Target Fund: (i) For the 10% WIT, a provision is made for non-government PRC onshore bonds for any interest income earned before 7 November 2018 that was not subject to the WIT as a withholding tax by the issuer in the PRC. (ii) For the 6.3396% VAT (including surcharges), a provision is made for non-government PRC onshore bonds for any interest income earned before 7 November 2018 that was not subject to the VAT as a withholding tax by the issuer in the PRC (this VAT regime is applicable as of 1 May 2016). In the event of any further changes to tax law or regulations, as soon as practicable, the board of directors of the Company (in consultation with the Target Fund Manager) will make the adjustments to the amount of tax provision they consider necessary. The amount of any such tax provision will be disclosed in the accounts of the Target Fund. Investors should take account of the following: if the actual tax levied by the PRC tax authorities is greater than that set aside by the Target Fund Manager so that there is a shortfall in the tax provision amount, the net asset value of the Target Fund may fall by more than the tax provision amount as the Target Fund ultimately has to bear the additional tax liabilities. In this case, the current and new shareholders will be placed at a disadvantage. If the actual applicable tax levied by the PRC tax authorities is less than that set aside by the board of directors of the Company so that there is a surplus in the tax provision amount, shareholders who have redeemed their shares before the PRC tax authorities' ruling, decision or guidance in this respect will be

	RISKS OF THE TARGET FUND
	disadvantaged as they would have borne the loss from the overprovision. In this case, the current and new shareholders may benefit if the difference between the tax provision and the actual tax liability can be returned to the Target Fund.
Risks connected with the use of derivatives	Investments in derivatives are subject to general market risk, settlement risk, credit risk, volatility risk and liquidity risk. However, these risks may be altered as a result of the special features of the derivative financial instruments, and may in some cases be higher than the risks associated with an investment in the underlying instruments. For this reason, the use of derivatives requires not only an understanding of the underlying assets, but also in-depth knowledge of the derivatives themselves. The credit risk associated with derivatives is the risk that a party may not meet (or cannot meet) its obligations under a specific or multiple contracts. The credit risk for derivatives traded on a stock exchange is, generally speaking, lower than that of OTC derivatives traded on the open market, because the clearing agent that acts as counterparty of every exchange-traded derivative (see above) accepts a settlement guarantee. To reduce the overall risk of default, the guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are calculated (see below). Despite derivatives not possessing any such settlement guarantee, their default risk is generally limited by the investment restrictions set out in the section titled “Investment Principles”, sub-section “Risk Diversification” above. Even in cases where the difference between the mutually owed payments (e.g. interest rate swaps, total return swaps) is owed, as opposed to the delivery or exchange of the underlying assets (e.g. options, forwards, credit default swaps), the Company’s potential loss is limited to this difference in the event of default by the counterparty. Credit risk can be reduced by depositing collateral. To trade derivatives on a stock exchange, participants must deposit collateral with a clearing agent in the form of liquid funds (initial margin). The clearing agent will evaluate (and settle, where appropriate) the outstanding positions of each participant, as well as re-evaluate the existing collateral on a daily basis. If the collateral’s value falls below a certain threshold (maintenance margin), the participant in question will be required by the clearing agent to bring this value up to its original level by paying in additional collateral (variation margin). With OTC derivatives, this credit risk can also be reduced through the provision of collateral by the respective counterparty (see below), through the offsetting of various derivative positions entered into with this counterparty, as well as through application of a careful selection process for counterparties (see the section titled “Investment Principles”, sub-section “Permitted investments of the Company” above. The prices of financial derivatives can be extremely volatile, since even small changes in the price of the underlying assets such as securities, indices, interest rates or currencies can cause significant fluctuations in the price of the financial derivative. Investing in financial derivatives may result in a loss that exceeds the initial investment. Liquidity risks are another factor, as it may be difficult to buy or sell certain instruments. When derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with OTC derivatives on the open market), it may in some cases not always be possible to fully execute a transaction, or else it may only be possible to liquidate a position subject to increased costs. Other risks associated with the use of derivatives include the risk of incorrectly valuing or determining the price of derivatives. There is also the possibility that derivatives may not completely correlate with their underlying assets, interest rates or indices. Many derivatives are complex and are frequently subjectively valued. Inappropriate valuations can result in higher cash payment requirements in relation to counterparties or in a loss of value for the Target Fund.

	RISKS OF THE TARGET FUND
Insolvency risk on swap counterparties	Margin deposits made in relation to swap contracts will be held with brokers. Though there are provisions in the structure of these contracts intended to protect each party against the insolvency for the other, these provisions may not be effective. This risk will further be mitigated by the exclusive choice of reputable swap counterparties.
Potential illiquidity of exchange traded instruments and swap contracts	It may not always be possible for the Company to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, the Company may not be able to execute trades or close out positions on terms which the Target Fund Manager believes are desirable. Swap contracts are OTC contracts with a single counterparty and may as such be illiquid. Although swap contracts may be closed out to realize sufficient liquidity, such closing out may not be possible or very expensive for the Company in extreme market conditions.
Liquidity risk	The Target Fund may invest in securities that subsequently prove difficult to sell due to reduced liquidity. This may have a negative effect on their market price and consequently on the Target Fund's net asset value. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events, such as a deterioration in the credit rating of an issuer or the lack of an efficient market. In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the chosen time; in addition, the Target Fund may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or regulatory body, which may cause the Target Fund to incur a loss. The inability to sell a portfolio position may have a disadvantageous effect on the value of the Target Fund or prevent it from being able to exploit other investment opportunities. In order to meet redemption requests, the Target Fund may be forced to sell investments at unfavourable times and/or on unfavourable terms.
Bonds	Bonds are subject to actual and perceived measures of creditworthiness. Bonds, and in particular high-yield bonds, may be impaired by negative headlines and an unfavourable perception on the part of investors; such perceptions may not be based on a fundamental analysis, and may have a negative effect on the value and liquidity of the bond.
High-yield bonds	Investing in debt instruments involves interest-rate, sector, security and credit risk. Compared with investment-grade bonds, high-yield bonds generally attract a lower rating and usually offer higher yields in order to offset the lower credit rating or higher default risk associated with these securities. High-yield bonds involve a greater risk of capital erosion through default or in the case of an effective interest rate that is below the current rate of interest. Economic conditions and changes in the level of interest rates may have a considerable impact on the value of these bonds. In addition, high-yield bonds may be exposed to greater credit or default risk than bonds with a high rating. These bonds tend to react more to developments affecting market and credit risk than securities with a higher rating. The value of high yield bonds may be negatively affected by overall economic conditions, such as an economic downturn or a period of rising interest rates. High-yield bonds may be less liquid and more difficult to sell or value at a favourable point in time or price than bonds with a higher rating. In particular, high-yield bonds are often issued by smaller, less creditworthy and more indebted companies that are generally less able to pay capital and interest on schedule than financially sound companies.
Subordinated debt instruments	The Target Fund may invest in subordinated debt instruments. In the event of issuer insolvency, subordinated debt instruments are repaid after more senior debt instruments. Due to the fact that subordinated debt instruments are not repaid until after senior debt instruments, there is less chance of receiving any payment at all in the event of issuer insolvency. Therefore, subordinated debt instruments result in a higher degree of risk for the investor.
Risk associated with small and mid-caps	The Target Fund invests in small and mid-caps. Investments in the securities of small, less well-known companies carry a higher degree of risk and the possibility of greater price volatility than investments in larger, more mature and more well-known companies. The value of the shares of small companies may fluctuate independently of the share prices of large companies and the wider stock market indices. Reasons

	RISKS OF THE TARGET FUND
	include their somewhat more uncertain growth prospects, the lower market liquidity for such shares and their greater vulnerability in the event of changes in the market situation. For example, a higher business risk is associated with small and limited product lines, markets, channels of distribution as well as financial and management resources.
Risks connected with the use of efficient portfolio management techniques	The Target Fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in section entitled "Special techniques and instruments with securities and money market instruments as underlying assets" below. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Target Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Target Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Target Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement. The Target Fund may enter into securities lending transactions subject to the conditions and limits set out in section entitled "Special techniques and instruments with securities and money market instruments as underlying assets" below. Securities lending transactions involve counterparty risk, including the risk that the securities lent cannot be returned or redeemed on time. If the borrower of securities fails to return the securities lent by the Target Fund, there is a risk that the collateral received may be realised at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, a deterioration in the creditworthiness of the collateral issuer, illiquidity of the market on which the collateral is traded, negligence or insolvency of the custodian holding collateral or termination of legal agreements, e.g. due to insolvency, which adversely affects the performance of the Target Fund. If the other party to a securities lending transaction should default, the Target Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Target Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement. The Target Fund will only use repurchase agreements, reverse repurchase agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the Target Fund. When using such techniques, the Target Fund will comply at all times with the provisions set out in section entitled "Special techniques and instruments with securities and money market instruments as underlying assets" below. The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on a Target Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Target Fund's net asset value.

DEALING INFORMATION

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

If you intend to invest in a Class other than MYR 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 at least eighteen (18) years old and a Sophisticated Investor in order to invest in this Fund. Please refer to the “Glossary” chapter of this Information Memorandum for the definition of “Sophisticated Investor”.
- Please note that if you are a US Person, you are not eligible to subscribe to the Units of the Fund. If we become aware that you are a US Person who holds Units of the Fund, we will issue a notice requiring you to:-
  - redeem your Units 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 PURCHASE UNITS?

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

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

HOW TO MAKE PAYMENT FOR PURCHASE APPLICATION?

- You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer, and include your name in the transaction description for our reference. Payment must be made in the currency of the Class which you intend to invest into. You may obtain our bank account details from our online download center at www.aham.com.my.
- Bank charges or other bank fees, if any, will be borne by you.

WHAT IS THE PROCESS OF THE PURCHASE APPLICATION?

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

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

- Any purchase request received or deemed to have been received by us after 3.30 p.m. will be transacted on the next Business Day (or "T + 1 day"), unless a prior arrangement is made to our satisfaction.
- Sale of Units will be honoured upon receipt of a complete set of documents together with the proof of payments.

HOW TO REPURCHASE UNITS?

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

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

  We may, with the consent of the Trustee, reserve the right to defer your repurchase request if such transaction would adversely affect the Fund or the interest of the Unit Holders.
- You may submit the repurchase request by completing a transaction form and returning it to us between 8.45 a.m. to 3.30 p.m. on a Business Day.
- Payment of the repurchase proceeds will be made via bank transfer where proceeds will be transferred to your bank account. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders.
- Bank charges or other bank fees, if any, will be borne by us.

WHAT IS THE PROCESS OF REPURCHASE APPLICATION?

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

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

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

WHAT IS THE REPURCHASE PROCEEDS PAYOUT PERIOD?

- You will be paid within ten (10) Business Days from the day the repurchase request is received by us, provided that all documentations are completed and verifiable ("Payment Period"). Please note that such Payment Period may be extended in the event of a temporarily suspension of dealing in Units or the calculation of the net asset value of the Target Fund and/or its share class is deferred or the payment period of the Target Fund is extended.

WHAT IS THE PRICING OF UNITS?

- During the initial offer period, the Selling Price and Repurchase Price for all Classes is equivalent to the initial offer price of the Class. After the initial offer period, 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. Any applicable Sales Charge and Repurchase Charge are payable separately from the Selling Price and Repurchase Price.

WHERE TO PURCHASE AND REPURCHASE UNITS?

- Units can be purchased and repurchased at any of the location listed in the "Directory of Sales Offices" section in this Information Memorandum or with our authorised distributors.
- You may obtain a copy of this Information Memorandum, the PHS and application forms from the abovementioned location. Alternatively, you may also visit our website at www.aham.com.my.

WHAT IS COOLING-OFF RIGHT?

- You have the right to apply for and receive a refund for every Unit that you have paid for within six (6) Business Days from the date we received your purchase application.
- You will be refunded for every Unit held based on the prices mentioned below and the Sales Charge of the particular Class imposed on the day those Units were purchased.
  (i) If the price of a Unit on the day the Units were first purchased ("original price") is higher than the price of a Unit at the point of exercise of the cooling-off right ("market price"), you will be refunded based on the market price at the point of cooling-off; or
  (ii) If the market price is higher than the original price, you will be refunded based on the original price at the point of cooling-off.
- You will be refunded within ten (10) Business Days from our receipt of the cooling-off application.

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

WHAT IS THE PROCESS OF COOLING-OFF APPLICATION?

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

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

WHAT ARE THE SWITCHING OPTIONS?

You are able to switch:

- between Classes 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 minimum holding of Units requirements of the Class that you switched out from and the minimum investment amount of the fund (or its class) that you intend to switch into.

You are also to note that we reserve the right to reject any switching requests that are regarded as disruptive to efficient portfolio management, or requests that we deem to be contrary to the best interests of the Fund and/or the existing Unit Holders of a particular Class.

The process of the switching application is as below:

- **Switching between Classes of the Fund**

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

- **Switching from the Classes of this Fund into other funds (or its class) managed by AHAM**

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

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

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

CAN I TRANSFER MY UNITS TO ANOTHER PERSON?

- You are allowed to transfer your Units, whether fully or partially, to another person by completing the transfer transaction form and returning it to us on a Business Day. The transfer must be made in terms of Units and not in terms of USD, MYR, SGD, AUD, GBP, EUR or RMB value. There is no minimum amount of Units required to effect a transfer except that the transferor and transferee must hold the minimum holding of Units to remain as a Unit Holder of a Class.
- It is important to note that we are at liberty to disregard or refuse to process the transfer application if the processing of such instruction will be in contravention of any law or regulatory requirements, whether or not having the force of law and/or would expose us to any liability.

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

DISTRIBUTION POLICY

- Subject to the availability of income, the Fund endeavours to distribute income on a monthly basis. However, the amount of income available for distribution may fluctuate from month to month.
- At our discretion, the Fund may distribute (1) realised income, (2) realised capital gains (3) unrealised income, (4) unrealised capital gains, (5) capital or (6) a combination of any of the above. The rationale for distribution out of capital is to allow the Fund the ability to distribute optimal level of income distribution on a regular basis in accordance with the income distribution policy of the Fund after taking into account the potential impact on future capital growth.

  Having the option to tap into the additional sources of income from (3) unrealised income, (4) unrealised capital gains and/or (5) capital (i.e. collectively known as "distribution out of capital") would give the Manager the flexibility to increase the amount of income distributable to Unit Holders after taking the distribution out of capital risk into consideration.

  Distribution out of capital has a risk of eroding the capital of the Fund. Payment of distribution out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distribution involving any payment out of capital of the Fund will result in an immediate reduction of the NAV per Unit. As a result, the value of future returns would be diminished.
- Income distribution, if any, will be paid out in the currencies in which the Classes are denominated. You may elect the mode of distribution in cash payment or additional Units by way of reinvestment by ticking the appropriate column in the application form. You may also inform us, at any time before the income distribution date of your wish of receiving cash payment or additional Units via reinvestment. All distribution will be automatically reinvested into additional Units in the Fund if you do not elect the mode of distribution in the application form.

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

Cash Payment Process

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

Reinvestment Process

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

SUSPENSION OF DEALING IN UNITS

The Manager may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances or such other circumstances as may be determined by the Manager, where there is good and sufficient reason to do so. The Manager will cease the suspension as soon as practicable after the exceptional circumstances have ceased, and in any event, within twenty-one (21) days from the commencement of suspension.

The period of suspension may be extended if the Manager satisfies the Trustee that it is in the best interest of the Unit Holders for the dealing in Units to remain suspended, subject to a weekly review by the Trustee.

The Trustee may suspend the dealing in Units, if the Trustee, on its own accord, considers that exceptional circumstances have been triggered. In such a case, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action.

RELATED PARTIES TO THE FUND

ABOUT THE MANAGER - AHAM

AHAM was incorporated in Malaysia on 2 May 1997 and began its operations under the name Hwang–DBS Capital Berhad in 2001. AHAM has more than 20 years' experience in the fund management industry. In 2022, AHAM's ultimate major shareholder is CVC Capital Partners Asia Fund V, a private equity fund managed by CVC Capital Partners ("CVC"), which has approximately 68.35% controlling interest in AHAM. CVC is a global private equity and investment advisory firm with approximately USD125 billion of assets under its management. AHAM is also 20% owned by Nikko Asset Management Co. Ltd., a Tokyo-based asset management company, and 7% owned by Lembaga Tabung Angkatan Tentera.

Our role as the Manager

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

Our Investment Team

Our investment team comprises a group of portfolio managers who possess the necessary expertise and experience to undertake the fund management of our unit trust funds. The investment team will meet at least once a week or more should the need arise. The designated fund manager of the Fund is Mr. David Ng and you may obtain his profile from our website at www.aham.com.my.

ABOUT THE TRUSTEE - TMF TRUSTEES MALAYSIA BERHAD

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

Duties and Responsibilities of the Trustee

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

Trustee's Delegate

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 (now known as Companies Act 2016) as a public limited company and is a direct subsidiary of Standard Chartered Bank (Singapore) Limited and an indirect subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Banking and Financial Institution Act 1989 (now known as Financial Services Act 2013).

SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.

RELEVANT INFORMATION

SALIENT TERMS OF THE DEED

Your Rights and Liabilities

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

(a) To receive the distribution of income and/or capital (if any), to participate in any increase in the value of the Units and to enjoy such other rights and privileges as are provided for in the Deed;

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

(c) To receive quarterly and annual reports.

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

You are not liable to the following:-

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

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

Provisions Regarding Unit Holders' Meetings

Quorum Required for Convening a Unit Holders' Meeting

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

(b) If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in Circulation (irrespective of the Class) of the Fund or a particular Class, as the case may be, at the time of the meeting.

(c) If the Fund or a Class, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

Unit Holders' Meeting convened by the Unit Holders

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

(a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders of the Fund or Unit Holders of a particular Class, as the case may be, at the Unit Holders' last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and

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

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

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

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

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

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

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

Unit Holders' Meeting convened by the Manager or Trustee

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

The Trustee shall summon a Unit Holders' meeting where:

(a) the Manager is in liquidation;

(b) in the opinion of the Trustee, the Manager has ceased to carry on business; or

(c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act.

The Trustee may also summon a Unit Holders' meeting for any purpose including, without limitation, for the purpose of:

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

(b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;

(c) securing the agreement of the Unit Holders to release the Trustee from any liability;

(d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units pursuant to Clause 6.9.3 of the Deed; and

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

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee pursuant to the aforesaid shall be summoned by:

(a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and

(b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

Termination of the Fund

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

The Manager may determine the trust created and wind up the Fund without having to obtain the prior approval of the Unit Holders upon the occurrence of any of the following events:

(a) if any new law shall be passed which renders it illegal; or

(b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and the termination of the Fund is in the best interests of the Unit Holders.

Notwithstanding the aforesaid, if the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

Termination of a Class

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

The Manager may terminate a particular Class without having to obtain the prior approval of the Unit Holders upon the occurrence of any of the following events:

(a) if any new law shall be passed which renders it illegal; or

(b) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Class and the termination of the Class is in the best interests of the Unit Holders.

Notwithstanding the aforesaid, if the Class is left with no Unit Holder, the Manager shall also be entitled to terminate the Class.

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

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

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

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

We or the Trustee may not charge an annual management fee and/or an annual trustee fee at a rate higher than that disclosed in the 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 or replacement information memorandum stating the higher rate is issued thereafter.

INCORRECT PRICING

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

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

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

FINANCING AND SECURITIES LENDING

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

Except for securities lending as provided under the SBL Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

UNCLAIMED MONIES

Any monies payable to you which remain unclaimed after twelve (12) months from the date of payment will be dealt as follows:-

(a) we may reinvest the unclaimed distribution proceeds provided that you still have an account with us; or

(b) we will pay to the Registrar of Unclaimed Monies in accordance with the requirements of the Unclaimed Moneys Act 1965.

INVESTORS INFORMATION

How can I keep track of my investments?

You may obtain the daily Fund price from our website at www.aham.com.my. As the Fund has exposure to investments in foreign jurisdiction, the daily prices are based on information available two (2) Business Days prior to publication.

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

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

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

ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES

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

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

DIRECTORY OF SALES OFFICES

AHAM ASSET MANAGEMENT BERHAD:

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

PENANG
No. 123, Jalan Macalister
10450 Georgetown
Penang
Toll Free No : 1800-888-377

PERAK
1, Persiaran Greentown 6
Greentown Business Centre
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Tel: 05 - 241 0668
Fax: 05 – 255 9696

JOHOR
Unit 22-05, Level 22
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor
Tel : 07 – 227 8999
Fax : 07 – 223 8998

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

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

SARAWAK
Ground Floor, No. 69
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93200 Kuching, Sarawak
Tel : 082 – 233 320
Fax : 082 – 233 663

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