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d'argument de publicité

Luxembourg, le 2023-05-12

Commission de Surveillance du Secteur Financier



# Aditum Investment Funds

*Investment Fund under Luxembourg Law*

*Société d'Investissement à Capital Variable incorporated in Luxembourg as an  
Undertaking for Collective Investment in Transferable Securities (UCITS) umbrella  
fund with segregated liability between sub-funds*

Prospectus 15 April 2023

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## 1. Notice to Investors

Aditum Investment Funds (the "**Fund**") is authorised under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "**Law of 2010**"). The Fund has appointed LRI Invest SA (the "**Management Company**") to serve as its designated management company in accordance with the Law of 2010. The Fund qualifies as an Undertaking for Collective Investment in Transferable Securities (the "**UCITS**") under Article 1, paragraph 2, points a) and b) of the directive 2009/65/EC **UCITS Directive**") and may therefore be offered for sale in the European Union ("**EU**") Member States (subject to notification to EU countries other than Luxembourg). In addition, applications to register the Fund may be made in other non-EU countries. The registration of the Fund on the official list of UCITS approved by the Luxembourg Regulatory Authority constitutes neither approval nor disapproval by any Luxembourg authority as to the adequacy or accuracy of this prospectus (the "**Prospectus**") or the Key Investor Information Documents or as to the assets held in the various sub-funds of the Fund (individually a "**Sub-Fund**", collectively the "**Sub-Funds**"). Any representations to the contrary are unauthorised and unlawful.

The Fund is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Sub-Funds. Each Sub-Fund represents a separate portfolio of assets. At all times the Fund's share capital will be equal to the total net asset value (the "**Net Asset Value**") of the Sub-Funds and will not fall below the minimum capital required by Luxembourg law.

The Prospectus may only be issued with Appendix 1, containing information relating to a separate Sub-Fund. The creation of new Sub-Funds requires the prior approval of the Commission de Surveillance du Secteur Financier (the "**CSSF**"). If there are different Classes of Shares (as defined below) representing a Sub-Fund, details relating to the separate Classes may be dealt with in the same Appendix 1 or in a separate appendix for each Class. This Prospectus and Appendix 1 should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and Appendix 1, Appendix 1 shall prevail.

The liabilities of a particular Sub-Fund (in the event of a winding up of the Fund or a repurchase of the Shares in the Fund or all the Shares of any Sub-Fund) shall be binding on the Fund but only to the extent of the particular Sub-Fund's assets and in the event of a particular Sub-Fund's liabilities exceeding its assets, recourse cannot be made against the assets of another Sub-Fund to satisfy such deficit.

None of the Shares has been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "**United States**"), and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. Certain restrictions also apply to the subsequent transfer of Shares in the United States or to or for the account of any US Person (as defined in Regulation S under the 1933 Act) which includes any resident of the United States, or any corporation, partnership or other entity created or organised in or under the laws of the United States (including any estate of any such person created or organised in the United States). The attention of investors is drawn to certain compulsory redemption provisions applicable to US Persons described in Section 7.5 "Redemption of Shares". The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

The Prospectus relates to a fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“DFSA”). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The shares of the Fund to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the shares of the Fund. If you do not understand the contents of this document you should consult an authorised financial adviser.

The distribution of this Prospectus in other jurisdictions may also be restricted; persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

Shares in any Sub-Fund described in this Prospectus as well as in the Key Investor Information Document(s) (the “**KIID**”) are offered only on the basis of the information contained therein and (if applicable) any addendum hereto and the latest audited annual financial report and any subsequent semi-annual financial report of the Fund.

A KIID for each available class of Shares in each Sub-Fund (a “**Class**” or collectively the “**Classes**”) shall be made available upon request to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KIID for the relevant Class and Sub-Fund in which they intend to invest. Prospective investors should also review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisors in relation to: (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

Before consent to distribute this Prospectus is granted, certain jurisdictions require it to be translated into an appropriate language. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail. Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof. Unless stated to the contrary, all references herein to times and hours refer to Luxembourg local time. Certain Shares are or will be listed on the Luxembourg Stock Exchange. Details may be obtained from the listing agent.

### **Kingdom of Saudi Arabia**

This document may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.



## **2. Directory**

### **BOARD OF DIRECTORS OF THE FUND**

David Marshall - Senior Executive Officer, Aditum Investment Management Limited and Chairman of the Board of Directors, United Arab Emirates

Mark Creasey - Independent Director, Jersey

Mark Dunstan - Independent Director, Luxembourg

Philip Rose – Independent Director, UK

### **MANAGEMENT COMPANY**

LRI Invest SA

9A, Rue Gabriel Lippmann

5365-Munsbach

Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Frank de Boer, Managing Director at LRI Group

Utz Schüller, Managing Director at LRI Group

### **INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR**

Aditum Investment Management Limited

Office 202, Level 2,

The Exchange, Gate Building 11,

DIFC,

PO Box 506605,

Dubai,

United Arab Emirates.

### **INVESTMENT ADVISOR (IN RESPECT OF GLOBAL CAUTIOUS, GLOBAL MODERATE and GLOBAL GROWTH SUB-FUNDS)**

Principal Global Investors LLC

801, Grand Avenue,

Des Moines, Iowa,

U.S.A.

**INVESTMENT ADVISOR (IN RESPECT OF HCM MULTI-ASSET MODERATE AND ADVENTUROUS SUB-FUNDS)**

Halwyn Capital Ltd,  
Hudson House,  
Albany Street,  
Edinburgh,  
EH1 3QB,  
United Kingdom

**INVESTMENT ADVISOR (IN RESPECT OF GLOBAL DISCOVERY SUB-FUND)**

Nexus Financial Advisers LLC  
Office 1106, 11th Floor  
IT Plaza, Silicon Oasis  
PO Box 124422  
Dubai, U.A.E

**DEPOSITARY**

European Depositary Bank SA  
3, Rue Gabriel Lippmann  
5365-Munsbach  
Grand Duchy of Luxembourg

**ADMINISTRATOR**

Apex Fund Services S.A.  
3, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

**PAYING AGENT, REGISTRAR AND TRANSFER AGENT**

Apex Fund Services S.A.3, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg

**AUDITORS OF THE FUND**

Ernst & Young S.A.  
35E avenue John F. Kennedy,  
L-1855 Luxembourg,  
Grand Duchy of Luxembourg

**LUXEMBOURG LEGAL ADVISORS**

Arendt & Medernach S.A.  
41A, avenue John F. Kennedy,  
L-2082 Luxembourg,  
Grand Duchy of Luxembourg

**SHARI'A ADVISOR TO THE INVESTMENT MANAGER, APPOINTED BY ADITUM INVESTMENT MANAGEMENT LIMITED**

Dar Al Sharia (Shari'a Advisor of Aditum Investment Management Limited)

Office 607, Level 6,

Gate Precinct 3,

DIFC, PO Box 12988,

United Arab Emirates

**SHARI'A BOARD OF ADITUM INVESTMENT MANAGEMENT LIMITED**

Dr Mohamed A. Elgari, Chairman, Shari'a Supervisory Board

Dr. Adnan Aziz, Member, Shari'a Supervisory Board

Mr Fazal Rahim, Member, Shari'a Supervisory Board

### 3. Definitions

The following words shall have the following meanings in this Prospectus:

**"1933 Act"** means the United States Securities Act of 1933, as amended.

**"AAOIFI"** means Accounting and Auditing Organisation for Islamic Financial Institutions.

**"Accumulation Shares"** shares where income is accumulated and added to Net Asset Value of a Sub-Fund.

**"ACC"** refers to accumulating Shares.

**"AED"** means United Arab Emirates Dirham.

**"Administrator"** means Apex Fund Services S.A. or such other entity appointed as administrator from time to time.

**"Annual General Meeting"** means the annual general meeting of the Shareholders.

**"Appendix"** means the relevant appendix of the Prospectus.

**"Articles of Incorporation"** means the articles of incorporation of the Fund.

**"Auditor(s)"** means Ernst & Young SA or such other entity appointed by the Fund from time to time.

**"Board of Directors"** means the board of directors of the Fund.

**"Business Day"** means any day in which banks in Luxembourg and London are open for normal full banking business (excluding Saturdays and Sundays as well as 24 and 31 December) and except any days in the UAE which are declared as public holidays for Eid or other religious holidays.

**"Calculation Day"** means a Valuation Day at the end of the fiscal year of the fund.

**"CET"** means Central European Time.

**"Class"** means a class of Shares of a Sub-Fund.

**"Company Law"** means the law of 10 August 1915 on commercial companies (as amended).

**"CRS"** means the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law of 18 December 2015 on the Common Reporting Standard.

**"CSSF"** means the Commission de Surveillance du Secteur Financier, the financial regulatory authority in charge of the supervision of UCIs in Luxembourg.

**"CSSF Circular 08/356"** means the CSSF circular 08/356 of 4 June 2008 determining the rules applicable to undertakings for collective investment (UCIs) when they employ certain techniques and instruments relating to transferable securities and money market instruments.

**"CSSF Circular 11/512"** means the CSSF circular 11/512 of 30 May 2011 determining the (i) presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF, as amended.

**"CSSF circular 13/559"** means the CSSF circular 13/559 of 18 February 2013 regarding ESMA guidelines on ETFs and other UCITS issues.

**"Cut-off time for subscription-orders"** will be 12:00pm CET one day prior to the Valuation Day or other such time as may be stated in the Appendix relating to a specific Sub-Fund.

**"Cut-off time for redemption-orders"** will be 12:00pm CET one day prior to the Valuation Day or other such time as may be stated in the Appendix relating to a specific Sub-Fund.

**"Data Protection Law"** means the data protection law applicable to the Grand Duchy of Luxembourg and the GDPR.

**"Depository"** means European Depository Bank SA or such other entity appointed by the Fund as depository from time to time.

**“Directive 2009/65/EC”** means the EC Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended from time to time.

**“Disclosure Regulations or SFDR”** means 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, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

**“Distribution Shares”** shares where income is distributed periodically to Shareholders.

**“Dual Structure Sukuk”** wherein the certificates represent undivided ownership in the structural tranches underlying such issuance and all related revenues thereof.

**“EU”** means the European Union.

**“EUR”, “Euro” or “€”** means the European single currency.

**“EU Taxonomy or TR”** means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as may be amended from time to time.

**“Extraordinary Expenses”** means any extraordinary expenses of the Fund, including, without limitation, litigation expenses, formation expenses and the full amount of any tax, levy, duty or similar charge imposed on the Fund or its assets that would not be considered as ordinary expenses.

**“FATCA”** means the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).

**“Fund”** means Aditum Investment Funds.

**“GBP”** means British Pounds Sterling.

**“GDPR”** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

**“Global Distributor”** means Aditum Investment Management Limited or such other entity appointed from time to time as global distributor.

**“Group of Companies”** means companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended.

**“Haram”** any activity deemed as non-Shari’a compliant by the Shari’a Board of the Investment Manager.

**“Inc”** refers to distributing Shares.

**“Institutional Investors”** means institutional investors as defined from time to time by the CSSF.

**“ISDA”** means the International Swap and Derivatives Association.

**“Investment Advisor”** means such entity appointed from time to time as investment advisor in relation to a specific Sub-Fund, as further disclosed in Appendix 1.

**“Investment Manager”** means Aditum Investment Management Limited or such other entity appointed from time to time as asset manager.

**“Islamic Cash Instruments”** mean financial instruments, including securities, money market instruments and other capital protected instruments, which are in accordance with the principles of Shari’a.

**“KIID”** means the Key Investor Information Document(s) of each Class for each Sub-Fund.

**“Law of 2010”** means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time.

**“Management Fee”** means the fees paid by the Fund to the Investment Manager calculated as a percentage of the average net assets of each Sub-Fund or Class.

**“Management Company”** means LRI Invest SA or such other entity appointed as management company by the Fund from time to time.

**“Management Company Fee”** means the fees paid by the Fund to the Management Company as further defined in Appendix 1.

**“Member State”** means a member state of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU.

**“Money Market Instruments”** means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.

**“Murabaha”** means Shari’a compliant cost-plus financing contract.

**“Net Asset Value”** means as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.

**“OECD”** means Organisation for Economic Cooperation and Development.

**“Operating and Administrative Expenses”** means all ordinary operating expenses of the Fund as set out in Section 9.5 of this Prospectus.

**“Other Regulated Market”** means a market which is regulated, operates regulatory and is recognised and open to the public, namely a market: (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public.

**“Other State”** any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania.

**“Paying Agent”** means Apex Fund Services S.A. or such other entity appointed as paying agent from time to time.

**“Performance Fees”** means the fees paid to the Investment Manager as defined under 9.2 below.

**“Prospectus”** means this prospectus of the Fund as amended from time to time.

**“Recognised Markets”** means the London Stock Exchange, the New York Stock Exchange, the Irish Stock Exchange, the Hong Kong Stock Exchange, the Australian Stock Exchange, the Tokyo Stock Exchange and the Singapore Stock Exchange.

**“Redemption Day”** means the Valuation day for all Classes.

**“Reference Currency”** means the currency in which all the underlying assets of the relevant Sub-Fund are valued and reported. The Reference Currency for each Sub-Fund is set out in Appendix 1.

**“Registrar and Transfer Agent”** means Apex Fund Services S.A. or such other entity appointed as registrar and transfer agent from time to time.

**“Regulated Market”** means a regulated market as defined in the EC Parliament and Council Directive 2004/39/EC dated 21 April 2004 on markets on financial instruments, as amended from time to time.

**“Servicing Agency Sukuk” (Wakala Bil Khidmat)** wherein the certificates represent undivided ownership in the underlying assets / investments or portfolio which are being serviced and all related revenues thereof.

**“SFTR”** means securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.

**“Shareholder(s)”** means shareholder(s) of the Fund.

**“Share(s)”** means the share(s) of the Fund.

**“Subscription Day”** will be the Valuation day for all Classes, as further defined under 7.2 below, unless otherwise described in Appendix 1.

**“Sub-Fund”** means a sub-fund of the Fund.

**“Sub-Investment Manager”** means any entity appointed from time to time as sub-investment manager in respect of certain Sub-Funds, as further detailed in Appendix 1.

**“Sukuk”** means financial instruments of equal value representing undivided ownership in the underlying assets, services and/or investments, which are in accordance with the principles of Sharia.

**“Sukuk Al Ijara”** wherein the certificates represent undivided ownership in the underlying leased assets and all related revenues thereof.

**“Sukuk Al Istisna”** wherein the certificates represent undivided ownership initially in the subject matter assets which are being procured and subsequently the proceeds of the sale of such commodities and all related revenues thereof.

**“Sukuk Al Mudaraba”** wherein the certificates represent undivided ownership in the underlying investment based on principles of Mudaraba and all related revenues thereof.

**“Sukuk Al Murabaha”** wherein the certificates represent undivided ownership initially in the subject matter asset which are being purchased and subsequently the proceeds of the sale of such asset and all related revenues thereof.

**“Sukuk Al Musharaka”** wherein the certificates represent undivided ownership in the underlying joint investments based on partnership and all related revenues thereof.

**“Sukuk Al Salam”** wherein the certificates represent undivided ownership initially in the subject matter commodities which are being procured and subsequently the proceeds of the sale of such commodities and all related revenues thereof.

**“Sukuk Al Wakala” (Wakala Bil Isthitmar)** wherein the certificates represent undivided ownership in the underlying investment based on principles of Wakala and all related revenues thereof.

**“Sustainability Factors”** means environmental, social and employee matters, respect for human rights, anti-corruption and anti - bribery matters.

**“Sustainability Risk”** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Fund.

**“Transaction Fees”** means in respect of each Sub-Fund the costs and expenses of buying and selling its portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction-related expenses.

**“Transferable Securities”** means shares and other securities equivalent to shares, bonds and other debt instruments, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments.

**“UAE”** means the United Arab Emirates.

**“UCI(s)”** means undertaking(s) for collective investment.

**“UCITS”** means undertaking(s) for collective investment in transferable securities pursuant to Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC.

**“UCITS Directive”** means Directive 2014/91/EU of the European Parliament and of the Council of 23<sup>rd</sup> July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions, as may be amended from time to time.

**“UK”** means the United Kingdom.

**“United States”** means the United States of America.

**“USD”** means United States Dollars.

**“Valuation Day”** means the Business Day as of which the Net Asset Value per Share of a Sub-Fund or Class of Shares is determined, as set out in Appendix 1.

**“Valuation Point”** means the point in time at which the Net Asset Value of a Class of Shares is calculated.

**“Zakat”** means the obligation that an individual has to donate a certain proportion of wealth each year to charitable causes.



## 4. General Information

### 4.1 Organisation

The Fund is an investment company organised as a *société anonyme* under the laws of the Grand-Duchy of Luxembourg and qualifies as a SICAV, incorporated under the Law of 2010 and listed on the official list of UCITS, authorised under Part I of the Law of 2010. The Fund's registered office is at 3, Rue Gabriel Lippmann, L-5365-Munsbach. The Fund was incorporated in Luxembourg on 14 April 2020 for an unlimited period. The Articles of Incorporation will be published in the *Mémorial, Recueil des Sociétés et Associations* (the "*Mémorial*") on 27 April 2020. The Fund is registered with the *Registre de Commerce et des Sociétés*, Luxembourg, under number B243664. The Articles of Incorporation are on file with the Chancery of the District Court of Luxembourg (*Greffe du Tribunal d'Arrondissement*).

The minimum capital of the Fund, as provided by law, which must be achieved within six months after the date on which the Fund has been authorized as a UCITS under Luxembourg law, shall be the equivalent in U.S. Dollar of EUR 1,250,000. The initial capital of the fund is 35,000 US Dollars into 35 Shares of no par value. The capital of the Fund is represented by fully paid up Shares of no par value. The share capital is at all times equal to the total net assets of all the Sub-Fund(s).

### 4.2 Structure of the Fund

The Fund purports to invest the funds available to it in assets permitted by applicable law, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its assets.

The Fund comprises of several Sub-Funds. The Fund offers investors within the same investment vehicle a choice of investment in one or more Sub-Funds, which are distinguished mainly but not only by their specific investment policy and objective and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in Appendix 1. The Board of Directors may, at any time, decide to create additional Sub-Funds and, in such case, this Prospectus will be updated by adding the details of such Sub-Fund(s) to Appendix 1.

For each Sub-Fund, the Board of Directors may decide to issue separate Classes whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, denomination, minimum subscription amount, dividend policy or such other distinctive feature as decided from time to time by the Board of Directors may be applied. Where different Classes are issued within a Sub-Fund, the details and features of each type of Class are described in Appendix 1.

### 4.3 Meetings and Announcements

Unless otherwise stated in the notice of convocation, the annual general meeting of shareholders (the "**Annual General Meeting**") will be held at the registered office of the Fund in Luxembourg within four (4) months of the end of each financial year. If such day is not a business day (the "**Business Day**"), the Annual General Meeting shall be held on the next following Business Day. Notices of all general meetings will be sent to registered Shareholders by post at least eight calendar days prior to the meeting at the addresses shown on the register of Shareholders. Such notices will include the meeting agenda and will specify the time and place of the meeting and the conditions of admission. Notices of meetings will also refer to the rules of quorum and majorities required by Luxembourg law

and laid down in Articles 450-1 and 450-3 of the Luxembourg law of 10 August 1915 on commercial companies (as amended (the “**Company Law**”) and the Articles of Incorporation. Each whole Share confers the right to one vote. The vote on the payment of a dividend (if any) on a particular Sub-Fund or Class requires a separate majority vote from the meeting of Shareholders of the Sub-Fund or Class concerned. Any change in the Articles of Incorporation affecting the rights of a Sub-Fund or Class must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund or Class concerned. Dividend announcements are described in Section 8.3 “Dividend Declaration”.

#### 4.4 Reports and Accounts

Audited annual reports as of 31<sup>st</sup> December and for the first time on 31<sup>st</sup> December 2020 shall be published within four months following the end of each accounting year and unaudited semi-annual reports shall be published within two months following the period to which they refer and for the first time on 30 June 2020. Annual and semi-annual reports shall be made available at the registered offices of the Fund and the Depositary during ordinary office hours, and online at [www.lri-group.lu](http://www.lri-group.lu).

The Fund’s accounting year ends on 31<sup>st</sup> December each year. The reference currency of the Fund is US Dollars (the “**Reference Currency**”). The aforesaid reports will comprise consolidated accounts of the Fund expressed in US Dollars as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund. These reports will be prepared in accordance with the International Financial Reporting Standards and interpretations issued and adopted by the International Accounting Standards Board.

#### 4.5 Allocation of Assets and Liabilities among Sub-Funds

Each Sub-Fund constitutes a separate portfolio. The assets and liabilities relating to each Sub-Fund are segregated from each other and will be invested in accordance with the investment objectives and investment strategies applicable to each such Sub-Fund and as set out in the relevant Appendix. Pursuant to Article 181 of the Law of 2010, each Sub-Fund corresponds to a distinct part of the assets and liabilities of the Fund, i.e. the assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Sub-Fund. The liabilities of a particular Sub-Fund (in the event of a winding up of the Fund or a repurchase of the Shares in the Fund or all the Shares of any Sub-Fund) shall be binding on the Fund but only to the extent of the particular Sub-Fund’s assets and in the event of a particular Sub-Fund’s liabilities exceeding its assets, recourse shall not be made against the assets of another Sub-Fund to satisfy any such deficit. For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the issue of each Share of each Sub-Fund are applied in the books of the Fund to the pool of assets established for that Sub-Fund and to the assets/liabilities and income/expenditure attributable;
- (b) where any asset is derived from another asset, such financial derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset the increase or diminution in value is applied to the relevant pool;
- (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool, provided that all liabilities, whichever

Sub-Fund they are attributable to, are, unless otherwise agreed upon with the creditors, only binding upon the relevant Sub-Fund;

(d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the Net Asset Values of the relevant Sub-Funds;

(e) upon the payment of dividends to the Shareholders in any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the amount of such dividends. Under the Articles of Incorporation, the Board of Directors may decide to create within each Sub-Fund one or more Classes whose assets will be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned but where a specific sales or redemption charge structure, fee structure, denomination, minimum subscription amount or dividend policy may be applied to each Class. A separate Net Asset Value, which will differ as a consequence of these variable factors, will be calculated for each Class. If one or more Classes have been created within the same Sub-Fund, the allocation rules set out above shall apply, as appropriate, to such Classes. The Board of Directors reserves the right to apply additional criteria as appropriate.

#### 4.6 Determination of the Net Asset Value of Shares

The Share value of each Sub-Fund is calculated by a third party appointed by the Management Company under the stewardship of the Depository on each Valuation Day defined as such in each of the Sub-Fund appendices.

The Net Asset Value of the Shares in all Sub-Funds is calculated in the currency of the respective Sub-Fund. The Sub-Fund's Share value is calculated by dividing the respective net Sub-Fund assets (Sub-Fund assets less existing liabilities) by the number of the Shares in the Sub-Fund in circulation on the Valuation Day. When calculating the share value, share fractions are rounded off to three decimal places. In this process, the assets included in the Sub-Fund are valued according to the valuation rules laid out below.

An example of the calculation of share value is shown below:

Net Sub-Fund assets:	10,000,000.00 Euro
Number of shares in circulation on the Valuation Day	<u>200,000</u>
Share value (= redemption price)	50.00 Euro

Performance is calculated using the BVI method, with the calculation based on the redemption prices on the start and end dates. The Net Asset Value of shares in each Sub-Fund can be rounded up or down to the next currency unit in accordance with the resolution of the Board of Directors. The assets included in Sub-Fund assets are calculated using the following principles:

- (a) The open target fund shares or underlying securities included in a Sub-Fund are valued at the last determined and available redemption price.
- (b) The value of cash in hand and bank credit balances, other outstanding receivables, prepaid costs, cash dividends and declared interest or interest accrued but not yet received is equal to the respective nominal value, unless they will probably not be paid or received in full, in which case the value is determined by applying an appropriate discount in order to establish the actual value.

(c) The value of assets that are listed or traded on a stock exchange is determined on the basis of the latest available trade price on the stock exchange that usually constitutes the principal market for that asset. If a security or other asset is traded on several stock exchanges, then the latest trade price on the stock market or Regulated Market.

(d) The value of assets traded on another Regulated Market is determined using the latest available price.

(e) Insofar as an asset is not officially listed or traded on a stock exchange or on another Regulated Market, or insofar as the prices of assets listed or traded on a stock exchange or on another market as mentioned above do not appropriately reflect the actual market value of the respective assets pursuant to the conditions in (a), (b) or (c) of this Section, the value of such assets is ascertained on the basis of their reasonable expected sales price, determined prudently, or in the case of a fund, their probable redemption or sale price. In such cases the Management Company will use appropriate valuation models and principles that are recognised in practice.

(f) The liquidation values of futures or other options traded on stock exchanges or on other organised markets are calculated on the basis of the last available liquidation price for such contracts on the stock exchanges or other organised markets where the futures or options are traded by the respective fund. If no settlement price is available, the valuation can be based on mid or bid prices. The liquidation values of forwards or other options not traded on stock exchanges or on other organised markets are equal to the respective net liquidation value as determined on a consistent basis applied to all different types of contracts pursuant to the policies of the Management Company. Insofar as a future, a forward or an option cannot be liquidated on a day for which the Net Asset Value is to be determined, the basis for the valuation of such a contract is appropriately and reasonably determined by the Management Company.

(g) The value of money market instruments that are not traded on a stock exchange or another regulated market are determined on the basis of appropriate valuation models and principles that are recognised in practice.

(h) All other securities and other assets are valued at their reasonable market value, determined in good faith and pursuant to procedures established by the Management Company.

The value of all assets and liabilities not expressed in the currency of the respective Sub-fund will be converted into that currency at the latest available exchange rates. If such rates are not available, the rate of exchange will be determined in good faith pursuant to procedures established by the Management Company.

The Management Company may allow other valuation methods at its own discretion, if it considers them appropriate for the proper valuation of the Fund's asset.

Income adjustment may be carried out for the Fund.

Shari'a compliant assets shall also be valued according with the above rules in so far as is applicable.

The value of assets denominated in a currency other than the Reference Currency of a Sub-Fund shall be determined by taking into account the rate of exchange prevailing at the time of the determination of the Net Asset Value. The Net Asset Value per Share of each Class and the issue and redemption prices thereof are available at the registered office of the Fund.

The liabilities of the Fund are described under section "Management and Fund Charges" and in the Articles.

#### 4.7 Temporary Suspension of Issues, Redemptions and Conversions

The determination of the Net Asset Value of Shares of one or more Classes may be suspended during: (a) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Sub-Fund concerned is quoted or dealt in, is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets of the Sub-Fund concerned would be impracticable; (c) any breakdown in the means of communication or computation normally employed in determining the price or value of the assets of the Sub-Fund concerned or the current prices or values on any market or stock exchange; (d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; (e) any other circumstance or circumstances beyond the control and responsibility of the Board of Directors where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Fund or its Shareholders might not otherwise have suffered.

The Board of Directors has the power to suspend the issue, redemption and conversion of Shares in one or more Classes for any period during which the determination of the Net Asset Value per Share of the Sub-Fund(s) concerned is suspended by the Fund by virtue of the powers described above. Any subscription/redemption/conversion request made or in abeyance during such a suspension period may be withdrawn by written notice to be received by the Fund before the end of such suspension period. Should such withdrawal not be effected the Shares in question shall be subscribed/redeemed/converted on the first Valuation Day following the termination of the suspension period. Investors who have requested the subscription, redemption or conversion of Shares shall be informed of such suspension when such request is made. In the event where a suspension period exceeds a certain period determined by the Board of Directors, all Shareholders of the Class concerned shall be informed.

#### 4.8 Dissolution and Liquidation of the Fund, any Sub-Fund or any Class of Shares

The Fund and the Sub-Funds are incorporated for an unlimited period, unless otherwise provided in Appendix 1.

In the event that for any reason the value of the net assets in any Sub-Fund or the value of the net assets of any Class within a Sub-Fund has decreased to, or has not reached, an amount of US\$10,000,000 (which is determined by the Board of Directors to be the minimum level for such Sub-Fund or such Class to be operated in an economically efficient manner or other such amount as may be determined by the Board of Directors from time to time), or if a change in the economical or political situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or Class, or in order to rationalise the Classes and/or the Sub-Funds offered, the Board of Directors may decide to redeem compulsorily all the Shares of the relevant Class or Classes issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Point at which such decision shall take effect and therefore close or liquidate such Class or Sub-Fund.

The decision of the Board of Directors will be published (either in newspapers to be determined by the Board of Directors or by way of a notice sent to the Shareholders at their addresses indicated in the register of Shareholders)

prior to the effective date of the compulsory redemption and the publication and will indicate the reasons for, and the procedures of the compulsory redemption. Except where to do so would not be in the interests of the Shareholders, or could jeopardise equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may request redemption or exchange of their Shares free of charge (other than those retained by the Fund to meet realization expenses) prior to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the Shareholders of any one or all Classes of Shares issued in any Sub-Fund may at a general meeting of such Shareholders, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class or Classes at their Net Asset Value (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Point at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by a simple majority of the validly cast votes.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the "*Caisse de Consignation*" on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

The dissolution of the last Sub-Fund will result in the liquidation of the Fund.

However, the Fund may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements referred to in the Articles and in compliance with the provision of the Company Law.

Whenever the share capital falls below two thirds of the minimum capital indicated in the Articles of Incorporation, the question of the dissolution of the Fund shall be referred to a general meeting of the Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the votes validly cast at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of the Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles of Incorporation; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by one quarter of the votes validly cast at the meeting.

The meeting must be convened so that it is held within a period of forty (40) calendar days from the date that the net assets have fallen below two thirds or one quarter of the legal minimum, as the case may be, or as soon as reasonably practicable thereafter as dictated by Directors of the Fund.

Liquidation of the Fund shall be carried out in compliance with the Company Law, the Law of 2010 and with the Articles.

#### 4.9 Merger of the Fund and of Sub-Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the Law of 2010) of the assets of the Fund or a Sub-Fund, whether as absorbing or absorbed party, with those of (i) another existing Sub-Fund within the Fund or another existing sub-fund within another Luxembourg or foreign UCITS, or of (ii) another Luxembourg or foreign UCITS.

Such a merger shall be subject to the conditions and procedures imposed by the Law of 2010, in particular concerning the terms of the merger to be established by the Board of Directors and the information to be provided to the Shareholders.

The Board of Directors is competent to decide on the effective date of the merger. However, in accordance with the Law of 2010, where the Fund is the absorbed entity which, thus, ceases to exist as a result of the merger, the general meeting of Shareholders of the Fund must decide on the effective date of the merger. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Where the Fund or a Sub-Fund is involved in a merger under the circumstances described above, whether as absorbing or absorbed party, Shareholders will be entitled to request, without any charge other than those charged by the Fund or the Sub-Fund to meet divestment costs, the redemption of their Shares in the relevant Sub-Fund in accordance with the provisions of the Law of 2010.

The Fund or a Sub-Fund thereof may further absorb (i) another existing sub-fund within another Luxembourg or foreign UCI, or (ii) another Luxembourg or foreign UCI in compliance with the Law of 10 August 1915.

Such merger shall be subject to the conditions and procedures imposed by the 2010 Law.

Notwithstanding the powers conferred to the Board of Directors by the preceding section, such a merger may be decided upon by a general meeting of the Shareholders of the Sub-Fund concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolutions taken by simple majority of the votes validly cast. The general meeting of the Shareholders of the Sub-Fund concerned will decide on the effective date of such a merger it has initiated within the Fund, by resolution taken with no quorum requirement and adopted at a simple majority of the votes validly cast.

#### 4.10 Division of Sub-Funds

In the event that the Board of Directors believes it would be in the interests of the Shareholders of the relevant Sub-Fund or that a change in the economic or political situation relating to the Sub-Fund concerned would justify it, the Board of Directors may decide to reorganise a Sub-Fund by dividing it into two or more Sub-Funds. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-Funds. Such publication will be made one month before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares free of charge before, the effective date.

#### 4.11 Amalgamation of Classes

In the event that for any reason the value of the assets in any Class has decreased to an amount determined by the Board of Directors (in the interests of Shareholders) to be the minimum level for such Class to be operated in an economically efficient manner, or if a change in the economical, political or monetary situation relating to the Class concerned would have material adverse consequences on the investments of that Class or if the range of products

offered to investors is rationalised, the Board of Directors may decide to allocate the assets of any Class to those of another existing Class within the Fund and to redesignate the Shares of the Class or Classes concerned as Shares of another Class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders).

The Fund shall send a written notice to the Shareholders of the relevant Class one month prior to the effective date of the amalgamation in order to enable the Shareholders to request redemption or exchange of their Shares, free of charge, during such period. This notice will indicate the reasons and the procedure for the amalgamation. Except where to do so would not be in the interests of Shareholders, or could jeopardise equality of treatment between the Shareholders, the Shareholders of the Class concerned may continue to request redemption or exchange of their Shares without any additional charges (other than those retained by the Fund to meet realisation expenses) prior to the effective date of the amalgamation.

#### 4.12 Material Contracts

The following material contracts have been entered into:

(a) A Management Company Services Agreement effective from 14 April 2020 between the Fund and the Management Company pursuant to which the latter acts as the management company of the Fund. Under this agreement, the Management Company provides management, administrative and distribution services, and risk management services to the Fund, subject to the overall supervision and control of the Board of Directors. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(b) An Investment Management Agreement dated 14 April 2020 between the Fund, the Management Company and Aditum Investment Management Limited pursuant to which the latter acts as Investment Manager to the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice.

(c) A Global Distribution Agreement dated 14 April 2020 between the Fund, the Management Company and Aditum Investment Management Limited pursuant to which the latter acts as Global Distributor to the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and is terminable by either party upon six months' written notice.

(d) A Depository Agreement effective from 14 April 2020 between the Fund, the Management Company and European Depository Bank SA pursuant to which the latter is appointed as Depository of the assets of the Fund. This agreement is entered into for an unlimited period and is terminable by either party upon three months' written notice to be served at the end of the month.

(e) An Administration Agreement effective from 14 April 2020 between the Fund, the Management Company and Apex Fund Services S.A., pursuant to which the latter is appointed as Administrative Agent, Domiciliary Agent, principal Paying Agent, Registrar, Transfer Agent and Listing Agent of the Fund on behalf of the Management Company. This agreement is entered into for an unlimited period and may be terminated by either party upon three months' written notice.

The agreements referred to above may be amended by mutual consent between the parties thereto.



#### 4.13 Documents Available for Inspection

Copies of the contracts mentioned above are available for inspection, and copies of the Articles of Incorporation, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund. Such reports form an integral part of this Prospectus. Copies of this Prospectus, the KIIDs and the latest financial reports are also available online at [www.lri-group.lu](http://www.lri-group.lu).

Procedures relating to the Management Company which Luxembourg regulation requires to be made available to investors for consultation are published on the following website: [www.lri-group.lu](http://www.lri-group.lu).

#### 4.14 Complaint Policy

A person having a complaint to make about the operation of the Fund may submit such complaint in writing to the registered address of the Management Company. In accordance with the applicable regulation in Luxembourg, the Management Company has implemented and maintains an effective complaint handling policy which may be obtained free of charge, upon request.

#### 4.15 Best Execution Policy

The best execution policy sets out the basis upon which transactions and orders in relation to the Fund will be placed in compliance with CSSF Regulation No. 10-04 and CSSF Circular 18/698 to obtain the best possible result for the Fund and its Shareholders.

#### 4.16 Management and Administration

The Fund is managed by LRI Invest SA which is subject to the provisions of Chapter 15 of the 2010 Law.

The Management Company has been incorporated on 13 May 1988 as a *société anonyme* under Luxembourg law for an indeterminate period and is registered with the Luxembourg Trade Register (RCS) under number B 28101. Its registered seat is at 9A, Rue Gabriel Lippmann, 5365-Munsbach, Grand Duchy of Luxembourg. The last consolidated version of the articles of incorporation have been deposited with the RCS on 16 December 2016 and has been published on 4 January 2017 in the *Mémorial C, Recueil des Sociétés et Associations ("Mémorial")*, the official gazette of the Grand -Duchy of Luxembourg; its fully paid-up share capital amounts to EUR 1,300,000.-. The names and legal documents of all funds managed are available at the domicile of the Management Company and on the website [www.lri-invest-lu](http://www.lri-invest-lu).

The conducting officers of the Management Company are responsible for the Management Company's daily business and operations.

The Management Company is responsible for the day-to-day operations of the Fund. In fulfilling its responsibilities set for by the Law of 2010 and the Management Company Services Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Fund and the CSSF. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties. The

Management Company has delegated the following functions to third parties: investment management, transfer agency, administration, listing as well as marketing and distribution.

The Management Company also acts as management company for other funds, in addition to the Fund. The list of funds managed by the Management Company will be set out in the Management Company's annual reports.

The Management Company is responsible for the management and control of the Fund and has been appointed as such by the Board of Directors. Aditum Investment Management Limited has been appointed as Investment Manager and Global Distributor. Apex Fund Services S.A. has been appointed to act as Administrative Agent, Domiciliary Agent, principal Paying Agent, Registrar, Transfer Agent and Listing Agent.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The remuneration policy sets out principles applicable to the remuneration of senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i. it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles of Incorporation of the Fund;
- ii. if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- iii. it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the Shareholders, and includes measures to avoid conflicts of interest;
- iv. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on an annual basis by a remuneration committee.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on <http://www.lri-group.lu> a paper copy will be made available free of charge upon request.

#### 4.17 Board of Directors

The board of directors of the Fund is composed as follows.

##### ***David Marshall***

Mr Marshall joined Aditum Investment Management Limited in December 2018. He has approximately 25 years' experience in financial services, spending nearly 10 years with Old Mutual and approximately 12 years with Emirates NBD where he held a number of senior management positions including SEO of Emirates NBD Asset Management and General Manager, Products and Advisory for Emirates NBD Bank Wealth Management.

Additionally, he was Head of Products at Rasmala Investment Bank Limited for 18 months from April 2017. He has extensive experience of structuring conventional and Islamic financial products in a wide range of jurisdictions. He holds a BA from the University of London.

##### ***Mark Creasey***

Mr Creasey is a Chartered Certified Accountant, qualifying with KPMG in Jersey in 1995. He has more than 25 years' experience in the finance industry. In 1998, he joined Standard Bank Jersey Limited, where he held a number of senior roles, including six years as a Director in their funds division. In 2011 he moved to JTC Group Limited where he was a Director in the fund services division. Since July 2015 he has been acting as an Independent Non-Executive sitting on the boards of a number of collective investment funds. He has extensive experience in both conventional and Shari'a compliant structures, in a variety of jurisdictions. He is a fellow of the Chartered Association of Certified Accountants and is a Member of the Chartered Institute for Securities & Investment.

##### ***Mark Dunstan***

Mark Dunstan has over 20 years experience in corporate and institutional banking, including capital markets, structured finance and securitisation, most recently as Managing Director, Financial Markets at ING Bank in Amsterdam and Brussels. In 2006 he joined BGP Investment, a JV between Australian listed companies GPT and Babcock & Brown, becoming Head of Specialised Funds EMEA at Babcock & Brown in 2008. Rejoining BGP Investment as CEO in 2010 he was responsible for the restructuring and eventual sale of the company for EUR 1.2 billion in 2016, to funds advised by Morgan Stanley. In January 2018 he was appointed non-executive Chairman of Oxford Properties Europe.

Mr Dunstan has a BA and LLB from the University of Sydney

##### ***Philip Rose***

Mr Rose has 24 years experience in fund management, distribution and product development. He was previously a fund manager at SWIP in Edinburgh, before joining Emirates NBD Asset Management in Dubai in 2009. He later went on to found H Capital in 2017, which is authorised and regulated by the Securities and Commodities Authority in the UAE. This was followed by Halwyn Capital in 2018, which is authorised and regulated by the Financial Conduct Authority in the UK.

He holds the ASIP designation from the CFA Society of the UK, in addition to the CFA Certificate in ESG Investing. He is both a Chartered Fellow and Chartered Wealth Manager of the Chartered Institute for Securities & Investment, in addition to holding further qualifications from the Chartered Insurance Institute. He holds a BA from the University of Southampton.

#### 4.18 Investment Manager, Sub-Investment Manager, Investment Advisors and Global Distributor

##### **Investment Manager and Global Distributor:**

Aditum Investment Management Limited has been appointed as investment manager (the “Investment Manager”) and global distributor (the “Global Distributor”).

The investment management of the Fund is effected under the control and the final responsibility of the Management Company. In order to implement the investment policy of each Sub-Fund, the Management Company has delegated with the consent of the Fund, the management of the assets of the Sub-Fund to the Investment Manager. Insofar as permitted by Luxembourg law, the Management Company shall obtain the Fund’s consent to the replacement of the Investment Manager. Such consent shall be given by the Shareholders. Pursuant to the Investment Management Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage the Sub-Funds’ portfolios. The Investment Manager, in the execution of its duties and the exercise of its powers, shall be responsible for the compliance of the Sub-Funds with their investment policies and restrictions.

Aditum Investment Management Limited is a limited liability company established in the Dubai International Financial Centre on 10 May 2018 and is regulated by the DFSA.

The Investment Manager has been appointed to manage the Fund and its investments subject to the overall supervision of the Directors, to recommend to the Directors on an ongoing basis the investment, realisation and reinvestment of the assets of the Fund and supervise the implementation of the investment objective and strategies of the Fund subject to the applicable investment restrictions.

The Investment Manager has also been appointed as Global Distributor by the Management Company to market and promote the activities of the Fund in areas where it is lawful to do so.

##### **Sub-Investment Manager(s):**

Pursuant to the Investment Management Agreement, the Investment Manager may delegate the management of the assets of each Sub-Fund to one or several sub-investment manager(s) (the “Sub-Investment Manager(s)”) subject to the prior approval of the Fund, the Management Company and the CSSF. The Sub-Investment Manager(s) may have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Investment Manager to purchase and sell securities as delegate for the Investment Manager and otherwise manage the relevant Sub-Fund(s)’ portfolios. The fees of each Sub-Investment Manager will be paid by the Investment Manager. The removal of any Sub-Investment Manager, or the appointment of new Sub-Investment Managers in relation to existing Sub-Funds, shall only be effective if the shareholders of the relevant Sub-Fund agree to it.

##### **Investment Advisor(s):**

Pursuant to the Investment Management Agreement, the Investment Manager may take advice in respect of the management of the assets of each relevant Sub-Fund from one or several investment advisor(s) (the “Investment

Advisor(s)”) subject to the prior approval of the Fund, the Management Company and the CSSF. The Investment Advisor(s) will review the assets of the relevant Sub-Fund on a day-to-day basis and, subject to the overall control and responsibility of the Investment Manager, may recommend the purchase and sale of securities to the Investment Manager, as well as advise on any other aspect of the management of the relevant Sub-Fund(s)’ portfolios that would be expected of a prudent investment advisor. The fees of each Investment Advisor will be paid by the Investment Manager.

#### 4.19 Shari’a Compliance

To ensure compliance with Islamic Shari’a principles, certain Sub-Funds (as defined as Shari’a compliant in Appendix 1) shall invest within the guidelines and restrictions as agreed and approved by the Shari’a Board of the Investment Manager. The Investment Manager is regulated by the DFSA and has a category 3C license and a license to operate an Islamic window. The following individuals currently constitute the Shari’a Board (the “Shari’a Board”):

- Dr Mohamed A. Elgari

Dr. Elgari was a Former Professor of Islamic Economic at King Abdulaziz University, Jeddah, Saudi Arabia and Former Director of the Center for Research in Islamic Economics, in the same university. He is an Expert at the Islamic Jurisprudence Academy of the OIC and the Islamic Jurisprudence Academy of the Islamic World League and a member of the Board of Trustees of AAOFI & member of AAOIFI Shari’ah Council. He is member of editorial board of several academic publications in the field of Islamic Finance and Jurisprudence among them, Journal of the Jurisprudence including the advisory board of Harvard Series in Islamic Law, Harvard Law School.

Dr. Elgari is Chairman and member of numerous Shariah Boards of Islamic Banks and Takaful Companies worldwide. He authored several books in Islamic finance and published tens of articles on the subject both in Arabic and English. Dr. Elgari is also a frequent speaker in conferences worldwide.

Dr. Elgari is the recipient of:

- The Islamic Development Bank prize in Islamic Banking and Finance.
- KLIFF Islamic Finance Award for Most Outstanding Contribution to Islamic Finance (Individual).
- Euromoney’s Award for Outstanding Contribution to Islamic Finance.

Dr. Elgari holds a PhD from the University of California and was born in Makkah, Saudi Arabia in the year 1949.

- Dr. Adnan Aziz

Dr Adnan Aziz is an established expert in the field of Islamic banking and finance (IBF) with rigorous academic training and hands on experience in IBF. He brings with him over 23 years of academically enriched industry experience that cuts across all areas of industry practices including investment banking (syndication and capital markets), retail banking (including consumer, SME and wealth), corporate banking, treasury, asset management and micro-finance.

Enabling Shari’ah advisory, innovative product ideas, customized structuring solutions to complex problems and dedicated focus on sustainability are among the strengths Dr Adnan. Dr Adnan has worked for projects and clients in Europe, USA, Middle East, Africa and Asia alongside some of the top names in industry including Islamic Development Bank, Deutsche Bank, Société Générale, Allianz Global Investors, F&C

Investments, Morgan Stanley Capital International, Rand Merchant Bank, and RHB Islamic Bank (to name a few). He has also been a member of and/or secretary to a number of Shari'ah boards internationally.

Dr Adnan is currently serving as Professor and Director 'Center of Excellence in Islamic Banking and Finance' at Ajman University in UAE. Prior to that, Dr Adnan was a Senior Vice President and Head of Shari'ah at Noor Bank in Dubai. Previously, he served as Head of Product Development and Shari'ah Coordination at Abu Dhabi Islamic Bank in UAE.

Dr. Adnan holds a Ph.D. in Corporate Finance from the School of Business and Economics of Loughborough University in the UK. He also earned an M.Phil. degree in Applied Macroeconomics from Quid-e-Azam University in Pakistan, after graduating in Islamic economic, banking and finance from the International Islamic University of Pakistan where he received M.Sc. and B.Sc. (Hons) degrees.

- Mr Fazal Rahim

Mr Rahim is a Shari'a controller and auditor with over 20 years experience in GCC banks. He holds a master's degree in economics and a bachelor's degree in Islamic Studies and Arabic from Karachi University. He is a certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organisation for Islamic Financial Institution, Bahrain ("AAOIFI") and holds a post graduate diploma from the Institute of Islamic Banking and Insurance in the UK. Mr. Rahim's specializes in the structuring of Islamic financial transactions, conducting reviews of Islamic financial instruments and related documentation, conducting Shari'a audit and compliance among other Shari'a activities. He is serving as a member of the Islamic Banking Committee of the UAE Central Bank, Islamic Banking Committee of the UAE Banking Federation and is on the Shari'a Board of a number of Islamic Financing and Investment companies. Mr. Rahim is currently Vice President, Head of Shari'a Audit and FSSB Secretary at Ajman Bank.

The composition of the Shari'a Board may change from time to time by the decision of the Board of Directors of the Investment Manager. Such a change will be duly notified to the CSSF immediately and the prospectus shall be amended accordingly.

Dar Al Sharia Limited, the Shar'ia Advisor to the Investment Manager, has been duly appointed to coordinate with the Shari'a Board in relation to presenting and endorsement of any relevant (Shari'a compliant) Sub-Fund's investment guidelines and to lend expertise to the approval of investments and the monitoring of ongoing adherence by the relevant Sub-Fund to its investment guidelines.

Dar Al Sharia is one of the world's leading Shari'a solution providers, pioneering in the provision of complete Shari'a advisory and consultancy services to all Islamic Finance segments namely Islamic banks, Islamic finance companies (including Islamic windows), Takaful companies, Islamic Funds and Sukuk. Dar Al Sharia provides a unique combination of Shari'a advisory services customized to meet different jurisdictions and regulations.

The Shari'a Board is responsible for making determinations and recommendations regarding the overall compliance with the relevant Sub-Fund's investment guidelines. The Shari'a Board has approved the basic structure of the Fund, and any Shari'a compliant Sub-Fund(s), and has approved (or will approve) this Prospectus. The Shari'a Board will meet at least once a year to review the Fund's holdings and approve portfolio purification procedures. Additional meetings may be held on an ad hoc basis as appropriate.

The Shari'a Board will also review standard contracts and agreements to be entered into by the Fund.

#### 4.20 Depositary

European Depositary Bank SA has been appointed as Depositary of all of the Fund's assets, comprising Transferable Securities, Money Market Instruments, cash and other assets. It may entrust the physical custody of securities and other assets, mainly securities traded abroad, listed on a foreign stock market or accepted by clearing institutions for their transactions, to such institutions or to one or more of its banking correspondents under its sole responsibility.

Custody of the Fund's assets has been entrusted to the Depositary, which fulfils the obligations and duties required by the Law of 2010 and the relevant CSSF circular. The Depositary shall also be responsible for the oversight of the Fund to the extent required by and in accordance with the Law of 2010, applicable CSSF circulars and regulations. The Depositary shall exercise the supervisory duties in accordance with the Law of 2010, applicable CSSF circulars and regulations and the Depositary Agreement.

The key duties of the Depositary are to perform on behalf of the Fund the depositary duties referred to in the Law of 2010 essentially consisting of:

- a) monitoring and verifying the Fund's cash flows;
- b) safekeeping of the Fund's assets, including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- c) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the articles of association of the Fund and applicable Luxembourg law, rules and regulations;
- d) ensuring that the value of the Shares is calculated in accordance with the articles of association of the Fund and applicable Luxembourg law, rules and regulations;
- e) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- f) ensuring that the Fund's income is applied in accordance with the articles of association of the Fund, and applicable Luxembourg law, rules and regulations; and
- g) carrying out instructions from the Fund or the Management Company unless they conflict with the articles of association of the Fund or applicable Luxembourg law, rules and regulations.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has appointed various sub-custodians. The list of the sub-custodians is available at the registered office of the Fund and available on the web page of the Depositary.

A potential conflict of interest between the interests of the Fund or the Depositary may occur:

- where the Depositary's own interests and/or those of its affiliates are in conflict with the interests of the customer or the depositary function;
- where the interests of one customer of the Depositary are in conflict with the interests of another Depositary customer;
- in respect of the Depositary's sub-custodians and counterparties;
- in respect of a combination of any other factors which may lead to a potential conflict of interest.

Potential conflicts of interest may arise from time to time out of the provision by the Depositary and/or its affiliates of other services to the Fund and/or other parties. For example, the Depositary and/or its affiliates may act as depositary on the one hand and as administrator, transfer agent or render such other services to the Fund. These additional services are structured so that, from an organisational and hierarchical perspective, they are executed either by different entities within the Apex Group or different departments/units within European Depositary Bank SA and are governed by separate contracts which can be terminated by any party at any time if it appears that a conflict of interest may exist which cannot be remedied or would be prohibited by applicable law.

Based on applicable law and in order to avoid any conflicts of interest, no delegation or sub-delegation relating to the principal function of investment management or portfolio management can be accepted by the Depositary or delegated to an affiliate or a sub-custodian of the Depositary. As this prohibition applies to any third-party custodian/sub-custodian and in general to any entity below the third-party custodian/sub-custodian in the custody chain of an asset, the Depositary has published on its website an up-to-date list of currently used sub-custodians. The Fund and the Management Company have thus full transparency and can ensure that no conflict exists with the Depositary's sub-custodian network in particular as to entities involved in investment and/or portfolio management of the Fund.

The extent the Depositary becomes aware of any further potential conflict of interest not captured in this Prospectus, the Depositary will promptly inform the Fund.

The rights and duties of the Depositary are governed by the Depositary Agreement effective from 14 April 2020 for an unlimited period of time from the date of its signature as amended from time to time. The Fund and the Depositary may terminate the Depositary Agreement on three months' prior written notice to be served at the end of each month; however, the Depositary shall continue to act as Depositary for up to two months pending a replacement depositary being appointed and that such replacement is appointed, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the Shareholders of the Fund.

As far as legally permitted, the Depositary Agreement contains provisions indemnifying the Depositary, and exempting the Depositary from liability, in certain circumstances.

#### 4.21 Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Listing Agent and Transfer Agent

Apex Fund Services S.A. is in charge of the day to day administration of the Fund and is responsible for processing the issue, redemption and conversion of Shares and maintaining the register of Shareholders. In that respect it acts as Registrar, Administrative, Domiciliary, Paying, Transfer and Listing Agent, calculates the Net Asset Value of the Shares and maintains the accounts of the Fund and lists the Shares of certain Sub-Funds on the Luxembourg Stock Exchange.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund. The relationship between the Management Company, the Fund and the Administrator is subject to the terms of the Administration Agreement. The Management Company, subject to the consent of the Fund, and the Administrator may terminate the Administration Agreement on 6 months' prior written



notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, including by the Management Company with immediate effect where this is in the best interest of Shareholders.

The Administration Agreement contains provisions indemnifying the Administrator, and exempting the Administrator from liability, in certain circumstances.

Apex Fund Services S.A. is a *société anonyme* organised under the laws of the Grand Duchy of Luxembourg. It was incorporated in Luxembourg on 29 July 2010, and its registered office is 3, rue Gabriel Lippmann, 5365 Munsbach, Grand Duchy of Luxembourg.

## **5. Investment Policies**

### **5.1 Investment Policy of each Sub-Fund**

The Sub-Funds will seek to achieve their objectives, in accordance with the specific investment policies established for each Sub-Fund by the Board of Directors, by investing primarily in Transferable Securities that are considered by the Investment Manager to have the potential to meet the stated investment objective of the relevant Sub-Fund. The Board of Directors has determined the investment objective and policy of each Sub-Fund, as described in Appendix 1. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policy of each Sub-Fund must be in compliance with the limits and restrictions set forth in Section 10.1 “Investment Restrictions”.

### **5.2 Financial derivative instruments and other invested assets**

Subject to the specific investment restrictions established for each Sub-Fund under Appendix 1, each Sub-Fund may utilise financial techniques and instruments for investment purposes, hedging purposes and efficient portfolio management. Such portfolio strategies may include transactions in financial futures contracts and options thereon. The Sub-Funds may also engage in transactions in options, on bond and stock indices and on portfolios of indices. The Sub-Funds may seek to hedge their investments against currency fluctuations which are adverse to the respective currencies in which these Sub-Funds are denominated by utilising currency options, futures contracts and forward foreign exchange contracts. The Sub-Funds may sell interest rate futures contracts, write call options or purchase put options on interest rates or enter into swap agreements for the purpose of hedging against interest rate fluctuations. The Sub-Funds may hold such ancillary liquid assets as further set out in the relevant Supplement.

A Sub-Fund will only enter into the aforementioned transactions with financial institutions specialised in such transactions and deemed appropriate by the Investment Manager, including recognized exchanges, in accordance with its internal approval policies (and subject to its ongoing review). Such transactions shall be entered into only in accordance with the standard terms laid down by the International Swaps and Derivatives Association (“ISDA”). The ISDA has produced standardised documentation for such transactions under the umbrella of its ISDA Master Agreement. Any legal restrictions will be applied to the issuer of the derivative instrument as well as to the underlying thereof. When using the techniques and instruments described in the preceding paragraphs, the Sub-Funds must comply with the limits and restrictions set forth in Section 10.1 “Investment Restrictions”.

Such techniques and instruments shall be used only to the extent that they do not affect the Sub-Funds' investment objectives and policies. Use of the aforesaid techniques and instruments involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, such techniques and transactions will be carried out directly by the Fund acting on behalf of the relevant Sub-Funds, with no intermediary or third party being involved. Therefore, there will be no intermediary or third-party fees paid in connection with efficient portfolio management techniques. Information on other direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary Bank, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report. In any event, all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

None of the Sub-Funds have as a core strategy to achieve their investment objective through the entering into one, or several, single total return swaps or similar financial derivative instruments. However, the Sub-Funds may, on an ancillary basis, gain exposure to financial indices or assets which are in line with their investment objectives through one or several total return swaps or similar financial derivative instruments. The Sub-Funds will only enter into such instruments with first class regulated financial institutions specialized in such types of transactions. The counterparties will have no discretion as to the composition or management of the Sub-Fund assets or underlyings thereof. The identity of these counterparties will be disclosed in the annual report of the Fund.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary Bank, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report.

All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

In addition to the above, the Sub-Funds which are Shari'a compliant can only obtain such exposures after prior approval from the Shari'a Board.

Each Sub-Fund may further invest, within the 10% limit in relation to other Transferable Securities and Money Market Instruments pursuant to Article 41(2) (a) of the Law of 2010 as set out in Section 10.1.2(a), up to 10% of its net assets in loan participations notes and/or loan assignments provided such instruments constitute Money Market Instruments normally dealt in a regulated market or on any Other Regulated Market, are liquid and have a value that may be accurately determined at any time. Such loans are deemed to constitute Money Market Instruments (within the meaning of Article 1 item 23 of the Law of 2010 and Articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 2010) normally dealt in on the money market where they fulfill one or more of the following criteria:

- (a) they have a maturity at issuance of up to and including 397 days;
- (b) they have a residual maturity of up to and including 397 days;
- (c) they undergo regular yield adjustments in line with money market conditions at least every 397 days; or
- (d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in items (a) or (b) above, or are subject to a yield adjustment as referred to in item (c) above.

Such loans are deemed to be liquid where they can be sold at limited cost in an adequately short time frame, taking into account the obligation of the relevant Sub-Fund to repurchase its Shares at the request of any Shareholder. Such loans are deemed to have a value which can be accurately determined at any time where such loans are subject to accurate and reliable valuations systems, which fulfill the following criteria:

- (a) they enable the relevant Sub-Fund to calculate the Net Asset Value in accordance with the value at which the loan held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- (b) they are based either on market data or on valuation models including systems based on amortised costs.

Investors should note that assets priced on an amortised basis may have a mark to market adjustment on realization and this could lead to losses on disposal.

For the time being none of the sub-funds intend to use securities lending and borrowing transactions as well as repurchase and reverse repurchase transactions. Moreover, in the case where one of the sub-funds would use securities financing transactions or total return swaps for efficient portfolio management purpose, the prospectus would be amended accordingly.

### 5.3 Global Exposure

The global exposure of the Sub-Funds is measured by either the Value at Risk (VaR) methodology or the commitment approach.

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Funds is subject to periodic stress tests but the total level of risk is not expected to exceed the sum of the notionals.

The exposure of a Sub-Fund may further be increased by transitory borrowings not exceeding 10% of the assets of a Sub-Fund. The method used to calculate the global exposure and the expected level of leverage is calculated in accordance with the applicable regulations for each Sub-Fund are set out in Appendix 1.

The Global Risk determination process in relation to the derivatives in the commitment approach is executed in accordance with applicable laws and regulations.

Under the commitment approach a Sub-Fund's Financial derivative positions are covered into the market value of the equivalent position in the underlying asset or by the notional value or the price of futures contracts where they are more conservative. The Sub-Fund's global exposure will be limited to 100% of its Net Asset Value. Netting and hedging are permitted. The netting and hedging policy is in line with applicable laws and regulations.

## **6. Risk Factors**

### **6.1 General**

This Section 6 explains some of the risks that apply to the Sub-Funds. It does not purport to be a complete explanation and other risks may also be relevant from time to time. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Fund. Past performance is not indicative of future performance. There is no assurance that the investment objective of any Sub-Fund will actually be achieved. The risks which a prospective investor should take into account includes risks which are general to all Sub-Funds and those which are specific to certain Sub-Funds and arise in respect of the investment objective, policy and strategy which is adopted in relation to a specific Sub-Fund. Appendix 1 sets out which of the risk factors set out below are particularly relevant to each Sub-Fund.

### **6.2 Interest Rate Risk**

As nominal interest rates rise, the value of securities held by a Sub-Fund may decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Inflation indexed securities decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income securities with similar durations.

### **6.3 Counterparty Credit Risk**

A Sub-Fund may be exposed to companies which act as a service provider, counterparty or guarantor when entering into over-the-counter markets in contracts. Their inability or unwillingness to honour obligations can subject a Sub-Fund to credit risk of losses incurred from late payments, failed payments and default.

### **6.4 Economic Risk**

The value of a Sub-Fund may decline due to factors affecting market conditions generally or particular industries represented in the markets. The value of a security held by a Sub-Fund may decline due to an actual or perceived change in general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the economy, multiple asset classes may decline in value

simultaneously. Economic downturn can be difficult to predict due to speculation in inflationary, fiscal and monetary factors.

#### 6.5 Issuer Risk

An issuer of securities' inability or unwillingness to honour obligations can subject a Sub-Fund to the risk of losses. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, the issuer's inability to meet specific projected business forecasts or the unavailability of additional financing.

#### 6.6 Liquidity Risk

Certain investment positions in which the Sub-Funds will have an interest may be less liquid. The Sub-Funds may within the limits of the Law of 2010 invest in non-transferable securities, non-publicly traded securities or securities with a lack of trading volume. These investments could prevent the Sub-Fund from liquidating unfavourable positions promptly and subject the Sub-Fund to substantial losses. Such investments could also impair the ability of Shareholders to collect redemption proceeds in a timely manner and Shareholders may incur a dilution adjustment. During extreme market conditions securities that would normally be liquid may become less liquid and it may be difficult for Shareholders to collect redemption proceeds in a timely manner or Shareholders may incur a dilution adjustment. Assets amortised may not be readily realizable and may result in losses on premature realization.

#### 6.7 Currency Risk

A Sub-Fund may be exposed to currency exchange risk where the assets and income are denominated in currencies other than the Reference Currency of the Sub-Fund. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Sub-Fund's investments to decline or increase. Currency exchange rates may fluctuate significantly over short periods of time. They are generally determined by supply and demand in the currency exchange markets and the relative merits of investment in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can also be affected unpredictably by intervention (or failure to intervene) by governments or central banks, or by currency controls or political developments.

A Sub-Fund may enter into currency exchange transactions in an attempt to protect against changes in a country's currency exchange rates. A Sub-Fund may enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Reference Currency of that Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Reference Currency of the Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

## 6.8 Currency Risk – Hedged Share Class

A Sub-Fund may enter into currency exchange transactions to hedge against a change in currency exchange rates that would cause a decline in the value of a Class denominated in a currency other than the Reference Currency of the Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the Reference Currency of the Sub-Fund in exchange for the currency in which the Class is denominated. While the Sub-Fund or its authorised agent may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the Sub-Fund and the hedged Class. It may also result in an increase in the total expense ratio. The hedging strategies may be entered into whether the Reference Currency of a Sub-Fund is declining or increasing in value relative to the relevant currency of the hedged Class and so, where such hedging is undertaken it may substantially protect investors in the relevant hedged Class against a decrease in the value of the Reference Currency relative to the hedged Class currency, but it may also preclude investors from benefiting from an increase in the value of the Reference Currency.

## 6.9 Custodial Risk

A Sub-Fund may invest in markets where depositary and/or settlement systems are not fully developed. The assets of the Sub-Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the depositary will have no liability, provided the depositary has acted in accordance with its duties of supervision and control as per applicable regulation.

## 6.10 Valuation Risk

A Sub-Fund's assets comprise mainly of quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, there is a risk that where the Sub-Fund invests within the limits of the 2010 Law in unquoted and/or less liquid investments the values at which these investments are realised may be significantly different to the estimated fair values of these investments.

## 6.11 Credit spread risk

A Sub-Fund's investments may be adversely affected if any of the issuers it is invested in are subject to an actual or perceived deterioration to their credit quality. Any actual or perceived deterioration may lead to an increase in the credit spreads of the issuer's securities.

## 6.12 Operational Risk

A Sub-Fund's investments may be adversely affected due to the operational process of the Sub-Fund. A Sub-Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human or external events.

### 6.13 Regulatory, Business, Legal and Tax

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Sub-Funds may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing and may be changed with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from region to region.

### 6.14 Conflicts of Interest

The Management Company and the various third parties to which the Management Company has delegated its functions may have conflicts of interest in relation to their duties to the Fund. The Management Company will, however, ensure that all such potential conflicts of interest are resolved fairly and in the best interests of the Shareholders in so far as it is possible to do so.

### 6.15 Emerging Markets

A Sub-Fund may invest in less developed or emerging markets. These markets may be volatile and less liquid and the investments of the Sub-Fund in such markets may be considered speculative and subject to significant delays in settlement. Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Fund will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security. The risk of significant fluctuations in the Net Asset Value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in emerging markets and assets could be compulsorily acquired without adequate compensation. The assets of a Sub-Fund investing in such markets, as well as the income derived from the Sub-Fund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of that Sub-Fund may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such countries may be subject to unexpected closure. There may be less government supervision and legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems.

### *Specific considerations regarding investments in China*

Investing in securities markets in China involves risks of investing in emerging markets generally and risks specific to the Chinese market.

Where specified in the relevant schedule, a Sub-Fund may seek exposure to stocks issued by companies based in Mainland Area of the People's Republic of China ("Mainland China") and listed on Mainland China's stock exchanges via Stock Connect (Shanghai-Hong Kong and/or the Shenzhen-Hong Kong Stock Connect). These stocks are referred to as "China A-Shares". Stock Connect is a trading programme that links stock markets in Mainland China and Hong Kong and may be subject to additional risk factors. Investors in Hong Kong and Mainland China can trade and settle shares listed on the other market via the exchange and clearing house in their home market. Stock Connect is subject to quota limitations, which may restrict a Sub-Fund's ability to deal via Stock Connect in a timely manner. This may impact that Sub-Fund's ability to implement its investment strategy effectively. Investors should note that a security may be recalled from the scope of Stock Connect. This may adversely affect the Sub-Fund's ability to meet its investment objective, e.g., when it wishes to purchase a security which is recalled from the scope of Stock Connect. Under Stock Connect, China A-Shares listed companies and trading in China A-Shares are subject to the market rules and disclosure requirements of the China A-Shares market. Any changes in laws, regulations and policies of the China A-Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A-Shares. The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A-Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with their interests in China A-Shares. Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the Shanghai Stock Exchange, the investor is required to disclose its interest within three working days during which it cannot trade the shares of that company. The investor is also required to disclose any change in its shareholding and comply with related trading restrictions in accordance with Mainland China rules. According to existing Mainland China practices, the Sub-Fund, as beneficial owner of China A-Shares traded via Stock Connect, cannot appoint a proxy to attend shareholders' meetings on its behalf. Transactions using Stock Connect are not covered by any local investor compensation fund or scheme. The Sub-Funds investing in China A-Shares trading through Stock Connect are further subject to legal and beneficial ownership risks, clearing and settlement risks, trading suspension risk, differences in trading day risks, operational risks and regulatory risks.

### *Specific considerations regarding investments in India*

Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of a Sub-Fund and result in substantial losses. No assurance can be given as to the ability of a Sub-Fund to achieve any return on its investments and, in turn, any return on an investor's investment in the Sub-Fund. Accordingly, in acquiring Shares in the Sub-Fund, appropriate consideration should be given to the following factors:

#### **Economic Factors**

The success of a Sub-Fund's investments depends in part on general economic and business conditions in India. A significant change in India's economic liberalization and deregulation policies could adversely affect business and



economic conditions in India generally and in particular if new restrictions on the private sector are introduced or if existing restrictions are not relaxed over time. Notwithstanding current policies of economic liberalization, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. The current government has announced policies and taken initiatives that support the continued economic liberalization policies that have been pursued by previous governments. There is, however, no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting taxation, foreign investment, currency exchange and other matters affecting a Sub-Fund's investments could change as well. In addition, laws and policies affecting the various investments held by a Sub-Fund could change, adversely affecting the values or liquidity of securities issued by those companies.

#### Political Factors

India's relations with other neighbouring countries historically have been tense. Since the separation of India and Pakistan upon their independence in 1947, a source of ongoing tension between the two countries has been the dispute over the northern border state of Kashmir. Although there are periodic efforts to normalize relations between the two countries, significant military confrontations between India and Pakistan have occurred in the disputed region of Kashmir in the last few years and both India and Pakistan continue to allocate substantial resources to the defense of their borders as a result. The Government of India is also confronted by insurgencies and separatist movements in several states in addition to Kashmir.

#### Bond Market Risks

The Indian bond markets especially the corporate bond markets are smaller in size and depth which could impact the liquidity in the instruments held by the Sub-Fund. Also, due to lack of broad based participation from a varied set of investors, the market participants often have uni-directional views which result in extreme reactions in valuations of certain instruments. The bond markets also have dual regulators with the Reserve Bank of India regulating the government bond market and SEBI regulating the corporate bond market which leads to dealing with multiple settlement and trading practices.

#### Risk relating to Regulatory Framework for foreign investment in Debt Capital Markets in India

Under the current regulatory framework for investments in local Indian debt securities, investments by foreign investors in local Indian debt securities are capped by the limit as allocated by SEBI and an auction process is carried out periodically to determine allocation of the limits to various foreign investors. Moreover, there is a specified time window allocated within which the foreign investors can utilise the limits that have been allocated. Thus, a Sub-Fund faces risk relating to changes in the regulatory framework for foreign investors investment in debt capital markets and the outcome of the auction process. These changes may affect the investment activities of a Sub-Fund.

### 6.16 Fixed Income Securities - General

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower rated securities will usually offer higher yields than higher rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Investors should note that credit ratings may not necessarily reflect the true risk of an investment and that the Investment Manager may use its own set of credit rating criteria to perform its credit analysis, which may differ from the criteria used by the credit rating agencies.

### 6.17 Sovereign Bonds

A Sub-Fund may invest in debt obligations issued or guaranteed by governments or their agencies (sovereign bonds). The governmental entity that controls the repayment of sovereign bonds may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign bonds. Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

### 6.18 Corporate Bonds

A Sub-Fund may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate bonds can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

### 6.19 Investment Grade Rated Securities

A Sub-Fund may invest in investment grade rated securities. Investment grade rated securities are assigned credit ratings by ratings agencies on the basis of the creditworthiness or risk of default of a bond issue. Rating agencies review, from time to time, such assigned ratings of the securities and may subsequently downgrade the rating if economic circumstances impact the relevant bond issues.

### 6.20 Sub-Investment Grade/High Yield

A Sub-Fund may invest in sub-investment grade/high yield securities. These fixed income securities (rated BB+ or lower by Standard & Poor's, Ba1 or lower by Moody's or an equivalent rating from any other recognised rating agency) typically are subject to greater market fluctuations and to greater risk of loss of income and principal, due to default by the issuer, than are higher rated fixed income securities. Lower rated fixed income securities' values

tend to reflect short term corporate, economic and market developments and investor perceptions of the issuer's credit quality to a greater extent than lower yielding higher rated fixed income securities' values. In addition, it may be more difficult to dispose of, or to determine the value of, high yield fixed income securities. There are fewer investors in lower rated securities, and it may be harder to buy and sell securities at an optimum time. Fixed income securities rated BB+ or Ba1 or lower, or an equivalent rating from any other recognised rating agency, are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

#### 6.21 Distressed Debt Securities

A Sub-Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidence of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high.

There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which a Sub-Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate a Sub-Fund adequately for the risks assumed. Investing in distressed debt can also impose duties on the Investment Manager which may conflict with duties which it owes to a Sub-Fund.

A specific example of where the Investment Manager may have a conflict of interest is where it invests the assets of a Sub-Fund in a company in serious financial distress and where that investment leads to the Investment Manager investing further amounts of the Sub-Fund's assets in the company or taking an active role in managing or advising the company, or one of the Investment Manager's employees becomes a director or other officer of the company. In such cases, the Investment Manager or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of that Sub-Fund. In such cases, the Investment Manager may also have discretion to exercise any rights attaching to the Sub-Fund's investments in such a company. The Investment Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

## 6.22 Convertible Bonds

Investments in convertible bonds may, in addition to normal bond risks and fluctuations, be subject to fluctuations in response to numerous factors, including but not limited to, variations in the periodic operating results of the issuer, changes in investor perceptions of the issuer, the depth and liquidity of the market for convertible bonds and changes in actual or forecasted global or regional economic conditions. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

## 6.23 Contingent Convertible Bonds

Certain Sub-Funds may invest in contingent convertible bonds, as described in their respective investment policy. A contingent convertible bond is a debt instrument which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Coupon payments on certain contingent convertible bonds may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Contrary to typical capital hierarchy, contingent convertible bond investors may suffer a loss of capital before equity holders.

Most contingent convertible bonds are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible bonds may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing contingent convertible bonds. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

## 6.24 Securitised Bonds

Certain Sub-Funds, excluding the Global Sukuk Fund, may have exposure to a wide range of asset backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. Asset backed securities and mortgage backed securities are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards. Asset backed securities and mortgage backed securities are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each

individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

#### 6.25 Local Currency Securities

A Sub-Fund may invest in local currency securities. Such investments will be subject to the risks related to investing in emerging market securities as described above. In addition, when purchasing local Currency securities, exchange rate fluctuations may occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement demands.

#### 6.26 Subordinated Debts

A Sub-Fund may invest in subordinated debt. Subordinated debt is debt which, in the case of insolvency of the issuer, ranks after other debts in relation to repayment. Because subordinated debt is repayable after senior debts have been re-paid, the chance of receiving any repayment on insolvency is reduced and therefore subordinated debt represents a greater risk to the investor.

#### 6.27 Equities

A Sub-Fund may invest in equity or equity-related investments. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

#### 6.28 Loans

A Sub-Fund may invest in fixed and floating rate loans from one or more financial institutions (“lender(s)”) to a borrower (“borrower”) by way of (i) assignment/transfer of; or (ii) participation in the whole or part of the loan amount outstanding. The Sub-Funds will invest only in loans that qualify as Money Market Instruments for the purposes of the Law of 2010. In both instances, assignments or participations of such loans must be capable of being freely traded and transferred between investors in the loans. Participations typically will result in the Sub-Fund having a contractual relationship only with a lender as grantor of the participation but not with the borrower. The Sub-Fund acquires a participation interest only if the lender(s) interpositioned between the Sub-Fund and the borrower is determined by the Investment Manager to be creditworthy. When purchasing loan participations, a Sub-Fund assumes the economic risk associated with the corporate borrower and the credit risk associated with an interposed bank or other financial intermediary. Loan assignments typically involve a transfer of debt from a lender to a third party. When purchasing loan assignments, a Sub-Fund assumes the credit risk associated with the corporate borrower only. Such loans may be secured or unsecured. Loans that are fully secured offer a Sub-Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower’s

obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, a Sub-Fund could become part owner of any collateral and would bear the costs and liabilities associated with owning and disposing of the collateral. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. A loan is often administered by an agent bank acting as agent for all holders. Unless, under the terms of the loan or other indebtedness, a Sub-Fund has direct recourse against the corporate borrower, the Sub-Fund may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower. The loan participations or assignments in which a Sub-Fund invests may not be rated by any internationally recognized rating service.

#### 6.29 Unlisted Securities

A Sub-Fund may invest in unlisted securities within the investment restrictions as further detailed under point 10 below. In general, there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Sub-Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. Additional risks in relation to unlisted financial derivatives are set out below.

#### 6.30 Derivatives

A portion of a Sub-Fund's investments may consist of financial derivative instruments, to reduce risks or costs or to generate additional capital or income. Specific Sub-Funds may use more complex derivative investment instruments. The use of derivatives by each Sub-Fund is set out in more detail in Appendix 1. Generally, derivative instruments are financial contracts whose value depend upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, high yield debt securities, interest rates, currencies or currency exchange rates and related indexes. Examples of derivative instruments which a Sub-Fund may use include options contracts, futures contracts, options on futures contracts, swap agreements (including credit swaps, credit default swaps, total return swaps, options on swap agreements, straddles, forward currency exchange contracts and structured notes). A Sub-Fund's use of derivative instruments involves risks different from, or possibly greater than, the risk associated with investing directly in the underlying asset. The following sets out important risk factors investors should understand and consider in relation to derivative instruments.

##### *Counterparty risk*

In accordance with its investment objective and policy, a Sub-Fund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded securities, futures and options, forwards, swaps (including total return swaps) or contracts for difference. Such OTC financial derivative instruments will be safe-kept with the Depositary. Entering into transactions on the OTC markets will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of the contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investments during the period in which the Sub-Fund seeks to enforce its rights, inability

to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. However, this risk is limited in view of the limits and rules laid down in Sections 10.1 - "Investment Restrictions" 10.2 and "Investment Techniques and Instruments". In particular the Investment Manager, will aim to mitigate the counterparty risk by receiving collateral in accordance with such section.

#### *Leverage Risk*

Derivative instruments allow the Sub-Funds to gain a larger exposure to asset values than the amount the Sub-Funds invest. As a result, losses on derivative instruments can exceed the amount invested in them which may impact the value of the Sub-Funds as a whole.

Derivative instruments are highly specialised instruments that require investment techniques and risk analysis different from those associated with securities. The use of a derivative instrument requires an understanding not only of the underlying asset but also of the derivative instrument itself, without the benefit of observing the performance of the derivative instrument under all possible market conditions.

#### 6.31 Liquidity risk

Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is less liquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

#### 6.32 Market and Other Risks

Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to a Sub-Fund's interest. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Sub-Fund investments.

#### 6.33 Unlisted instruments

For unlisted instruments, or over-the-counter derivative instruments, where two parties contract directly rather than through an exchange, a Sub-Fund will usually have a contractual relationship only with the counterparty of such unlisted instrument and not the reference obligor on the reference obligation. The Sub-Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation. The Sub-Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, the Sub-Fund will be treated as a general creditor of such counterparty and will not have any claim with respect to the reference obligation. Consequently, the Sub-Fund will be subject to the credit risk of the counterparty as well as that

of the reference obligor. As a result, concentrations of over-the-counter derivative instruments entered into with any one counterparty will subject the Sub-Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor. Additionally, while the Investment Manager expects that the returns on an over-the-counter derivative instrument will generally reflect those of the related reference obligation, as a result of the terms of the over-the-counter derivative instrument and the assumption of the credit risk of the over-the-counter derivative instrument counterparty, an over-the-counter derivative instrument may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default.

Additionally, when compared to the reference obligation, the terms of an over-the-counter derivative instrument may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the over-the-counter derivative instrument, the terms of the over-the-counter derivative instrument may permit or require the issuer of such over-the-counter derivative instrument to satisfy its obligations under the over-the-counter derivative instrument by delivering to the relevant Sub-Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

#### 6.34 Credit Linked Notes

Credit linked notes and similar structured notes involve a counterparty structuring a note whose value is intended to move in line with the underlying security specified in the note. Unlike financial derivative instruments, cash is transferred from the buyer to the seller of the note. In the event that the counterparty (structurer of the note) defaults, the risk to the Sub-Fund is to that of the counterparty, irrespective of the value of the underlying security within the note. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of a credit linked note or similar notes can be less than that for the underlying security, a regular bond or debt instrument, and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

#### 6.35 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in re-investing cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the



transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

#### 6.36 Eurozone Breakup / Failure of Euro

Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Eurozone by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Fund's investments as well as on the ability of the Fund's counterparties to fulfil their obligations. In addition, countries may impose capital control which could impact the Fund's ability to repatriate proceeds. Legal uncertainty may render hedging arrangements ineffectual.

#### 6.37 Investment Funds

The investments of the Sub-Funds in other investment funds may result in an increase of total operating, administration, depositary, management and performance fees/expenses. However, the Investment Manager will seek to negotiate a reduction in management fees and any such reduction will be for the sole benefit of the relevant Sub-Fund.

#### 6.38 Shari'a Compliance

Certain Sub-Funds of the Fund may seek to invest in accordance with generally accepted Shari'a compliant principles. Such investment policy may restrict the investable universe of the Investment Manager which may, in turn, inhibit returns. Additionally, should an asset be deemed non-compliant, or move from a compliant to a non-compliant status, cleansing of the relevant Sub-Fund's assets may be required. This may dilute returns when compared to a conventional counterpart.

In the case where an asset moves from a compliant to a non-compliant status, the Investment Manager will sell such non-compliant asset as soon as is practicable and use its best endeavors to replace the aforementioned asset with new Sharia compliant assets. In the case where a capital gain is realized by selling such asset, such capital gain will be purified in accordance with the Sharia Supervisory Board's advice on the appropriate methodology to do so and on the allocation of the purification proceeds among charities. Emirates Red Crescent has been approved by the Shari'a Board and Aditum Investment Funds for purification purposes.

Shari'a compliant Sub-Funds must at all times comply with applicable Luxembourg laws and regulations and in case of discrepancies between Luxembourg laws and regulations and Shari'a principles, Luxembourg laws and regulations shall prevail.

#### 6.39 Sukuk

Price changes in Sukuk are influenced predominantly in the same way as conventional fixed income securities by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Sukuk could suffer when capital market interest rates rise, while they could increase in value when capital market interest rates fall. The price changes also depend on the term or residual time to maturity of the Sukuk. Furthermore, the sukuk market remains a nascent market which can create low levels of liquidity and increased transaction costs.

Sukuk may be backed by Sovereign or Corporate issuers. In general, Corporate issuers represent an increased credit risk to investors and may display greater price volatility.

Funds investing in Sovereign Sukuk issued by governments or government related entities from countries referred as Emerging or Frontier Markets bear additional risks linked to the specifics of such countries (e.g. currency fluctuations, political and economic uncertainties, repatriation restrictions, etc).

#### 6.40 Common Reporting Standard (“CRS”)

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard (“CRS”) as set out in the Luxembourg law of 18 December 2015 on the Common Reporting Standard (the “CRS Law”).

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authorities personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the “CRS Information”).

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Fund with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Fund will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Fund.

For the purposes of this section, “Controlling Person” means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Fund of and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Fund’s CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor’s

failure to provide the Information or subject to disclosure of the CRS Information by the Fund to the Luxembourg tax authorities.

#### 6.41 Sustainability Risk

Such risk is principally linked to climate-related events resulting from climate change (a.k.a Physical Risks) or to the society's response to climate change (a.k.a Transition Risks), which may result in unanticipated losses that could affect Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

#### 6.42 Real Estate

Real estate related investments are affected by risks such as the cyclical nature of real estate values; general and local business conditions; excessive construction and growing competition; increasing property tax and management costs; population change and its impact on investment income; changes in building laws and regulations; losses arising from damage or court decisions; environmental risk; public law restrictions on rental; interest rate risk; changes associated with the attractiveness of land to tenants; and other property-market influences.

## 7. The Shares

### 7.1 General

The Shares of each Sub-Fund will be offered in registered form and will be issued without certificates. Fractions of Shares will be issued up to three decimal places. All Shares are of no par value and must be fully paid upon issue. Subject to the restrictions described below, Shares of each Class of each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to that Class. The rules governing such allocation are set forth below. The Shares carry no preferential or pre-emptive rights, and each Share entitles its registered holder to one vote at all general meetings of Shareholders and at all meetings of the Sub-Fund in which such Share is held. Shares redeemed by the Fund become null and void. The Board of Directors may restrict or prevent the ownership of Shares by any person, firm or corporation if the ownership is such that it may be contrary to the interests of the Fund or of the majority of its Shareholders or of any Sub-Fund or Class therein. Where it appears to the Board of Directors that a person who is precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Fund may proceed to compulsorily redeem all Shares so owned. The Board of Directors may fix minimum subscription amounts for each Class, which, if applicable, are detailed below in Section 7.3 "Class Description, Eligibility for Shares, Minimum Subscription and Holding Amounts".

Further information in relation to the subscription, conversion and redemption of Shares is set out below.

## 7.2 Subscription for Shares

Requests for subscription received by the Management Company, the Registrar and Transfer Agent, the Paying Agent or the distributor before the relevant cut-off time for subscription-orders applicable for the respective Sub-Fund as defined in the Appendix 1 (“**Cut-off time for subscription-orders**”) are calculated on the basis of the Net Asset Value of the relevant subscription day as defined in the respective sub-fund appendix (“**Subscription Day**”). Requests for subscription received by the Management Company, the Registrar and Transfer Agent, the Paying Agent or the distributor after the defined cut-off time for subscription-orders are calculated on the basis of the Net Asset Value on the following Subscription Day. The issue price is due within three Business Days after the relevant Subscription Day concerned. Shares will be allocated on behalf of the Management Company promptly after the Depositary has received the issue price. Shares are only issued in return for the full payment of the issue price. Should full payment not be received within three Business Days of the relevant Subscription Day by the Depositary, the Shares can be redeemed at the discretion of the Fund.

The Board of Directors and the Management Company reserve the right to reject requests for subscription in full or in part and impose the compulsory redemption of shares at any time under consideration of the principles of the Articles of Association. This also applies in the event that requests for subscription are submitted by persons who are not permitted to acquire or own shares in the Fund or where the Management Company believes that requests for subscription submitted by such persons could have a negative impact on the Fund’s image.

To prevent money laundering, everyone subscribing to shares must identify themselves to the Management Company, the Administrator and/or any appointed agent of the fund from time to time when subscribing to and redeeming shares. The persons appointed to conduct these checks are headquartered in an FATF country and are subject to financial oversight.

In so far as legally permissible under the relevant law payment refunds for subscription requests that are not carried out will be effected. Investors should be aware that there may be instances where this may not be possible.

If the Fund offers savings plans and pension plans for a Sub-Fund, this shall be referred to in the respective Sub-Fund Appendix. Further details on these plans are available from the Management Company or the distributors of the respective Sub-Fund.

If shares are issued within the scope of the respective Sub-Fund’s savings and pension plans, no more than a third of the payments agreed in the first year will be used to cover payments, with the remaining costs attributed equally to all subsequent payments. The advance cost charging means that, if the pension plan is liquidated prematurely, charged costs for payments not yet made are lost and will not be reimbursed by the Fund or by the distributor.

The Management Company prohibits all practices related to market timing (= frequent trading of shares within a short period of time making use of time differences and/or differences in the Net Asset Value calculation) and late trading (= trading executed after the close of trading at the relevant Cut-off time for subscription-orders and receiving the price based on the prior net asset value already determined as of that day instead of that of the next day) and reserves the right to reject subscription requests from investors who the Management Company assumes utilise such practices. The Management Company retains the right to take measures, where necessary, to protect

the Fund's other Shareholders. The Management Company makes sure in any case that the Net Asset Value is not known to the investor at the time that a request for subscription is submitted. If the calculation of the Net Asset Value by the respective Sub-Fund is suspended due to the right reserved under the "Temporary Suspension of Issues, Redemptions and Conversions" in section 4.7, no shares shall be issued during this period of suspension.

The applicable sales charge for each Class of each Sub-Fund has been detailed in Appendix 1.

Confirmation of completed subscriptions will be mailed, at the risk of the Shareholder, to the address indicated in the Shareholder's application, within 10 Business Days following the issue of Shares. The Global Distributor may enter into agreements with certain distributors pursuant to which they agree to act as, or appoint nominees for, investors subscribing for Shares through their facilities (distribution and nominee agreements). In such capacity the distributor may arrange subscriptions, conversions and redemptions of Shares in a nominee name on behalf of individual investors and request the registration of such operations on the register of Shareholders of the Fund in such nominee name. The nominee/distributor maintains its own records and provides the investor with individualised information as to its holdings of Shares in the Fund.

### 7.3 Class Descriptions, Eligibility for Shares, Minimum Subscription and Holding Amounts

The Board of Directors may from time to time decide to create within each Sub-Fund different Classes which may have any combination of the following features. Classes may differ in their minimum initial and additional subscription amounts, minimum holding amount, eligibility requirements, and applicable fees and expenses, as detailed in Appendix 1.

Each Class, where available, may be offered in the Reference Currency of the relevant Sub-Fund, or may be denominated in any other currency as determined from time to time by the Board of Directors. The currency denomination of each Class will be represented in the name of the Class by a short form reference to such currency. Classes not denominated in the Reference Currency of the relevant Sub-Fund may be hedged at the discretion of the Investment Manager on a periodic basis against the Reference Currency of such Sub-Fund.

#### Hedged Currency Classes

A Sub-Fund does not hold a separate portfolio of assets relating to each Class of the same Sub-Fund. The assets and liabilities of each Class are allocated on a percentage basis. In the case of hedged currency Classes, a Sub-Fund may incur liabilities in connection with currency hedging transactions carried out in relation to and for the benefit of a single Class. With respect to Sub-Funds with different currency Classes, currency hedging transactions for one Class may in extreme cases adversely affect the Net Asset Value of other Classes within the same Sub-Fund. It is anticipated that hedging, where applied, will be in the range of 95%-105% of the Net Asset Value of the relevant Share Class. This level may change from time to time based on efficiency, market movements or other such factors as Directors may deem relevant and appropriate.

## Initial Offering Price

The initial offering price for the respective currencies of each Class of each Sub-Fund can be obtained from the registered office of the Fund or from the Registrar and Transfer Agent upon request.

## Minimum Subscription and Holding Amount and Minimum Additional Subscription Amount

The minimum subscription amount, minimum holding amount and minimum additional subscription amount requirements in relation to the relevant Class type are stated in Appendix 1. For Classes available in any currency not listed in Appendix 1, the minimum subscription amount, minimum holding amount and minimum additional subscription amount can be obtained online at [www.lri-group.lu](http://www.lri-group.lu), from the registered office of the Fund or from the Registrar and Transfer Agent upon request. Where no minimum amount is specified for a particular Class, no minimum amount is applicable. The availability of any Class may differ from Sub-Fund to Sub-Fund.

Where a Shareholder wishes to add to its holding in a given Class, the additional subscription amount must be at least the amount set out in Appendix 1 (or specified by directors of the Fund). The Board of Directors is not obliged to accept additional subscriptions falling below the specified amount.

The Board of Directors has the discretion, from time to time, to waive any applicable minimum subscription amounts. The Board of Directors may, at any time, decide to compulsorily redeem all Shares from Shareholders whose holdings would, as a result of application for partial redemption of its Shares, be less than the minimum subscription amount or who consequently fail to satisfy any other applicable eligibility requirements set out in Appendix 1. In such case, the Shareholder concerned will receive one month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

### 7.4 Conversion of Shares

Subject to any suspension of the determination of the net asset values concerned, Shareholders have the right to convert all or part of their Shares of any Class into Shares of the same Class in another Sub-Fund or into Shares of another existing Class of the same or another Sub-Fund by applying for conversion in the same manner as for the issue of Shares. However, the right to convert Shares is subject to compliance with any conditions (including any minimum subscription amounts) applicable to the Class into which the conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum subscription amount specified in Appendix 1, the Management Company may decide not to accept the request for conversion of the Shares. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum subscription amount, the Shareholder may be deemed (if the Management Company so decides) to have requested the conversion of all of its Shares.

The number of Shares issued upon conversion will be based upon the respective net asset values of the two Classes concerned on the Valuation Day in respect of which the conversion request is processed.

#### Requests for Conversion between Classes in the same Sub-Fund:

For Conversions between different Classes in the same Sub-Fund, conversion requests received in good order prior to 12:00 CET on the business day prior to a Valuation Day will be processed on that Valuation Day, except if conversions are made through an Agent. In such latter case, the Agent will inform the investor of the relevant procedure. Requests received after 12:00 CET on any business day prior to a Valuation Day will be deferred to the next Valuation Day in the same manner as for the issue and redemption of Shares.

#### Requests for Conversion between Classes in different Sub-Funds

For Conversions between Classes in different Sub-Funds, conversion requests received in good order prior to 12:00 CET on the business day prior to a common Valuation Day will be processed the following Valuation Day. Requests received after 12:00 CET on the business day prior to a common Valuation Day will be deferred to the following common Valuation Day in the same manner as for the issue and redemption of Shares.

For the avoidance of doubt, for conversions between Classes in different Sub-Funds, the notification period for conversion requests shall be the same as the notification period for redemptions applicable to the Sub-Fund from which conversion is requested. The number of Shares issued upon conversion will be based upon the respective net asset value of the Shares of the relevant Sub-Funds on the Valuation Day in respect of which the conversion request is accepted and will be calculated as follows:

$$A = (B \times C \times D) / E$$

A is the number of Shares to be allocated in the new Sub-Fund/Class

B is the number of Shares to be converted in the original Sub-Fund/Class

C is the net asset value on the applicable Valuation Day of the Shares to be converted in the initial Sub-Fund/Class

D is the exchange rate applicable on the effective transaction day for the currencies of the two Sub-Funds/Classes

E is the net asset value on the applicable Valuation Day of the Shares to be allocated in the new Sub-Fund/Class

After the conversion, the Registrar and Transfer Agent will inform the Shareholder(s) as to the number of new Shares obtained as a result of the conversion, as well as the net asset value.

### 7.5 Redemption of Shares

Shares in a Sub-Fund can be redeemed at the redemption price from the Management Company, the Administrator, the Registrar and Transfer Agent and the agents referred to in the “Management and Administration” section of this Sales Prospectus.

To prevent money laundering, all shareholders must identify themselves to the aforementioned companies when redeeming Shares.

Shareholders can request from the respective Sub-Fund the redemption of all or part of their shares on each redemption day as defined in the relevant Sub-Fund Appendix (“**Redemption Day**”).

The redemption price corresponds to the share value of the respective Share Class less a possible redemption fee, the maximum amount of which is described in the respective Sub-Fund Appendix. The redemption price is normally paid immediately within three Business Days.

Requests for redemption received by the Management Company, the Registrar and Transfer Agent, the Paying Agent or the distributor before the relevant cut-off time for redemption-orders applicable for the respective Sub-Fund as defined under Redemption Day are calculated on the basis of the Net Asset Value on the relevant Redemption Day as defined in the Appendix 1 for the respective Sub-Fund. Requests for redemption received by the Management Company, the Registrar and Transfer Agent, the Paying Agent or the distributor after the cut-off time for redemption-orders are calculated on the basis of the Net Asset Value of the following Redemption Day. The redemption price is always determined after the defined cut-off time to ensure that the prices for the redemption of shares by investors are not known.

The redemption price is paid in the reference currency of the respective share class. The redemption price can be lower or higher than the original subscription or purchase price. The Fund is only required to pay if no legal provisions, e.g. currency regulations or other circumstances beyond the Fund's control prohibit the transfer of the redemption price in the country of the applicant.

If the Board of Directors passes a corresponding resolution, the Fund may be entitled to pay the redemption price as a non-cash payment to any Shareholder agreeing to such a payment by allocating to the Shareholder assets from the asset portfolio of an equivalent value (in accordance with the provisions of the Articles of Association of the Fund) to the redeemed shares as calculated on the Redemption Day on which the redemption price is calculated. In this case, the nature and type of transferred assets will be determined in an appropriate and objective manner and without impacting the interests of other Shareholders in the respective share class(es); it will also be confirmed by a valuation report provided by the auditor. The costs of such transfers are borne by the Shareholder in question. All costs incurred as a result of this redemption-in-kind (including the costs of the valuation report, broker costs, expenses, commission, etc.) will be borne in the full amount by the redeeming Shareholder. If a redemption fee or a conditional sales fee applies, the redemption-in-kind will be adjusted (lowered) for these fees.

If the Fund offers withdrawal plans for a Sub-Fund, this is referred to in Appendix 1. Further details on these plans are available from the Management Company or the distributors of the respective Sub-Fund.

If the calculation of the Net Asset Value per share of the respective Sub-Fund is suspended due to the "Temporary Suspension of Issues, Redemptions and Conversions" in section 4.7, no shares can be redeemed.

The Fund is entitled to suspend redemption in the case of applications for the redemption of shares in the respective Sub-Fund, with the exception of the Global Sukuk Fund, which would be carried out on a Valuation Day, which would account for over 10% of the shares in the respective Sub-Fund in circulation on this Valuation Day and which could not be satisfied using liquid funds and permissible borrowing on the part of the Sub-Fund. The relevant agents will be immediately notified of the decision to suspend redemption.

The Fund is also authorised to only process large-scale redemption requests (greater than 10% of the net Sub-Fund assets on the corresponding Valuation Day), which cannot be met using the respective Sub-Fund's liquid assets and



allowable credit facilities, once the corresponding assets of the respective Sub-Fund have been sold and accounted for without delay.

Any suspended or deferred subscription, redemption or conversion requests shall be treated as a priority to any further subscription, redemption or conversion requests received on the following Valuation Day.

Suspended or deferred subscriptions, redemptions or conversions will be executed on the next available Valuation Day after the suspension or deferment ends, provided markets on which a substantial portion of the assets of the Sub-Fund are listed are not closed, or in the case of the deferment due to the aggregate value of such requests being greater than 10% of assets, the aggregate value of the subscription, redemption or conversion is now below 10% of assets.

If the net assets of a Sub-Fund have, on a Valuation Day, fallen below an amount the Board of Directors deems to represent the minimum amount to administrate said Sub-Fund in an economical manner and which will be set at a level deemed reasonable by the Directors or if there is a material change in the financial or political circumstances, or in the interests of financial rationalisation, the Board of Directors may, at its own discretion, decide to redeem all shares in said Sub-Fund – but no fewer than all shares in circulation – at their Net Asset Value (in consideration of the Sub-Fund assets' actual realisation rates and the realisation costs) on the day on which this Board of Directors decision takes effect. The Fund will inform all Shareholders affected by this decision by notice in the regulatory required form and manner. Amounts attributed to shares that cannot be redeemed at the point of this compulsory redemption can be held for a maximum of six months; following this period, these amounts will be held by the "*Caisse de Consignation*".

The Investment Manager has determined that in order to meet redemption requests each Sub-Fund Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

## 7.6 Transfer of Shares

The transfer of registered Shares may normally be effected by delivery to the Registrar and Transfer Agent of an instrument of transfer in appropriate form. On receipt of the transfer request, the Registrar and Transfer Agent may, after reviewing the endorsement(s), require that the signature(s) be guaranteed by an approved bank, stockbroker or public notary. Shareholders are advised to contact the Registrar and Transfer Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction.

## 7.7 Late Trading and Market Timing

The Fund, the Management Company and the Registrar and Transfer Agent ensure that the practices of late trading and market timing will be eliminated in relation to the distribution of Shares. The cut-off times mentioned in this Section 7 will be observed rigidly and any decision to accept trades will be done on the basis that it will not prejudice the interests of the other Shareholders. Investors do not know the Net Asset Value per Share at the time of their request for subscription, redemption, or conversion. Subscriptions, redemptions and conversions of Shares should

be made for investment purposes only. The Fund and the Management Company do not permit market-timing or other excessive trading practices. Excessive, short-term trading practices may disrupt portfolio management strategies and harm the Fund's performance. To minimise harm to the Fund and the Shareholders, the Management Company or the Registrar and Transfer Agent on its behalf has the right to reject any subscription or conversion order, or levy a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is believed to engage in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Management Company, has been or may be disruptive to the Fund or any of the Sub-Funds. In making this judgment, the Management Company may consider trading done in multiple accounts under common ownership or control. The Management Company also has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. Neither the Management Company nor the Fund will be held liable for any loss resulting from rejected orders or mandatory redemptions.

## 7.8 Data Protection

In accordance with the Data Protection Law, the Fund, acting as data controller, hereby informs the Shareholders and/or prospective shareholders or, if the Shareholder and/or the prospective shareholder is a legal person, any natural person related to the Shareholder and/or the prospective shareholder such as its contact person(s), employee(s), trustee(s), agent(s), representative(s) and/or beneficial owner(s) (the "Data Subjects"), that certain personal data provided to the Fund or its delegates may be collected, recorded, stored, adapted, transferred or otherwise processed for the purposes set out below.

Such personal data includes (i) for individual Shareholders: the name, address (including postal and/or e-mail address), banking details, invested amount and holdings of each Shareholder; (ii) for corporate Shareholders: the name and address (including postal and/or e-mail address) of the natural person related to the Shareholders; and (iii) any personal data the processing of which is required in order to comply with regulatory requirements, including tax law and foreign laws (all the personal data mentioned above, collectively, the "Personal Data").

Shareholders and/or prospective shareholders who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Fund in compliance with the Data Protection Law, including, where appropriate, informing the Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR.

Personal Data supplied by Data Subjects or Shareholders is processed in order to enter into and execute the subscription of Shares in the Fund to comply with the legal obligations imposed on the Fund and for the legitimate interests of the Fund, which should never override the interests and fundamental rights and freedoms of Data Subjects. In particular, the Personal Data supplied by Data Subjects or is processed for the purpose of: (i) maintaining the register of Shareholders; (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to Shareholders; (iii) maintaining controls in respect of late trading and market timing practices; (iv) complying with applicable anti-money laundering rules; (v) marketing and client-related services; (vi) FATCA and CRS purposes, (vii) complying with regulatory requirements, including foreign laws and (viii) marketing.

The "legitimate interests" of the Fund referred to above are: (a) the processing purposes described in point (v) of the above paragraph of this clause; (b) meeting and complying with the Fund's accountability requirements and

regulatory obligations globally; the provision of the proof, in the event of a dispute, of a transaction or any commercial communication; and (c) exercising the business of the Fund in accordance with reasonable market standards.

In the context of the above mentioned purposes, the Fund may delegate the processing of the Personal Data, in compliance and within the limits of the applicable laws and regulations, to other data recipients which refer to, inter alia, the Management Company, Global Distributor, the Administrator, the Depositary, the Paying Agent, Registrar and Transfer Agent, the Shari'a Board, the Auditors of the Fund and the Luxembourg Legal Advisors of the Fund and their service providers and delegates (the "Recipients").

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "Sub-Recipients"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Fund and/or assisting the Recipients in fulfilling their own legal obligations.

Recipients (when processing the Personal Data upon instructions of the Data Controller) and Sub-Recipients (when processing the Personal Data upon instructions of the Recipients) may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Fund), or as distinct data controllers (when processing the Personal Data for their own purposes or fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may, acting as data controller, disclose the same to foreign tax authorities.

Certain Recipients and Sub-Recipients are located in countries outside the European Economic Area which are deemed not to offer an adequate level of protection by the European Commission. For transferring Personal Data to Recipients in such countries, the Fund will enter into legally binding transfer agreements with the relevant Recipients in the form of the EU Commission's approved model clauses. Where the Sub-Recipients are located in such countries, the Recipients shall also enter into legally binding transfer agreements with the relevant Sub-Recipients in the form of the EU Commission's approved model clauses. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Fund.

In accordance with the conditions laid down by the Data Protection Law, Data Subjects have the right to:

- request access to their Personal Data;
- request the correction of their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- request erasure of their Personal Data;
- request for restriction of the use of their Personal Data; and
- request for Personal Data portability.

The Data Subjects may exercise their above rights by writing to the Data Controller at the following address: Apex Fund Services S.A., 3, rue Gabriel Lippmann, 5365 Munsbach, Grand Duchy of Luxembourg.

The Data Subjects are also informed of the existence of their right to lodge a complaint with the CNPD at the following address: 1, Avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority in their EU Member State of residence.

Personal Data shall not be retained for a period longer than necessary for the purpose of the data processing, subject to any statutory limitation periods.

#### 7.9 Investors rights

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

### **8. Dividend Policy**

#### 8.1 General

The Board of Directors shall in each accounting year have the option, if it deems appropriate, to propose to the Shareholders of any Sub-Fund or Class at the Annual General Meeting the payment of a dividend out of all or part of the net investment income or capital of such Sub-Fund or Class. In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Fund would fall below the equivalent of EUR 1,250,000.

In each Class of Shares within each Sub-Fund, the Board of Directors may issue Accumulation Shares and Distribution Shares, as more fully described in Appendix 1.

Distribution Shares may pay a dividend to their holders whereas Accumulation Shares capitalize their entire earnings.

#### 8.2 Distributing Classes

##### Annual Distribution

The Board of Directors expects to recommend distribution of substantially all of the net interest income of the distributing Classes for each year. Investors should also be aware that, as far as is permitted by the Memorandum and Articles of Association of the Company, as well as Luxembourg law, the Company may also recommend distributions out of capital should Directors believe that this is in the best interests of Shareholders of the relevant Sub-Fund.

The Board of Directors of the Fund may apply for UK Reporting Fund status for Income Class Shares. It is intended that dividends will typically be distributed to so far as possible reflect, at the dividend declaration date, equalised

reportable income as defined under such regime. However, the Board of Directors reserves the right to report instead of distributing such income. Broadly, investors will be taxed on the higher of the reportable income and any cash distribution received. Please refer to Section 11.3 for information regarding the Reporting Fund regime.

#### UK Reporting Fund Status – Other Classes

The Board of Directors may choose to apply for UK Reporting Fund status in respect of other Classes. However, no guarantee can be given that Reporting Fund status will be obtained. Such Classes with Reporting Fund status may either report or distribute income, at the sole discretion of the Board of Directors. A list of Classes which currently have UK Reporting Fund status may be obtained from the registered office of the Fund or from the Registrar and Transfer Agent upon request. Please refer to Section 11.3 for information regarding the Reporting Fund regime.

#### 8.3 Dividend Declaration

For Classes in respect of which a distribution is intended, dividends will typically be declared at the end of the relevant period, depending on the frequency of that particular Sub-Fund, as stipulated in Appendix 1. At the sole discretion of the Board of Directors, additional dividends may be declared.

#### 8.4 Dividend Payment

Dividends will normally be paid within 6 weeks following the dividend declaration date or as soon as practicable thereafter. Dividend payments will normally be made by electronic bank transfer. Shareholders should expect to receive the dividend payment within 10 Business Days following the payment date. Payment will be made in the Reference Currency of the relevant Shares. Dividends not cashed within five years will lapse and the unclaimed dividend will revert to the relevant Class in accordance with Luxembourg law. No interest shall be paid on distributions declared by the Fund and kept by it at the disposal of the Shareholders.

#### 8.5 Reinvestment

For investors holding the Accumulation Shares all declared dividends will be reinvested back into the particular Class of the Sub-Fund, free of any placement fees.

#### 8.6 Dividend Income Equalisation

For the purposes of calculating dividend income, income is equalised with a view to ensuring that the level of income per Share is not affected by the issue and redemption of Shares. The subscription price of Shares will therefore be deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Shares, and the first distribution in respect of such Shares will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Shares up to the date of redemption.

## **9. Management and Fund Charges**

### **9.1 Management Company Fees**

The Management Company is entitled, for the performance of its services, to a fee paid by the Fund. The Management Company will charge a variable fee of 0.12% p.a. of the NAV, with a minimum of EUR 25,000.00 per Sub Fund per annum. An additional EUR 10,000.00 per Sub Fund will be charged for any Sub-Fund that invests in accordance with Islamic Shari'a. Other fees may apply as stated in the Management Agreement between the Fund and the Management Company.

### **9.2 Fees of the Investment Manager and the Global Distributor**

The Investment Manager and the Global Distributor are entitled to receive, out of the assets of each class within each Sub-Fund, a fee as further detailed in Appendix 1.

Subject to the investment restrictions described in this Prospectus, Sub-Funds may invest in other collective investment schemes managed by the Investment Manager and/or the Management Company. Where such collective investment schemes are managed directly or indirectly by the Investment Manager or the Management Company, or by a company to which the Investment Manager or the Management Company (as applicable) is linked by joint management or control or by a direct or indirect participation exceeding 10% of the capital or voting rights ("Related Funds"), no Management and Advisory Fee will be charged to the relevant Sub-Fund in relation to such investments. Furthermore, no subscription, redemption and/or conversion fees may be charged to the relevant Sub-Fund in connection with Related Funds.

### **9.3 Fees of the Investment Advisors**

Investment Advisors will be entitled to receive a fee, out of the Management Fee paid to the Investment Manager, as relevant and as further detailed in the relevant sub-Investment Management Agreement and Investment Advisory Agreement.

### **9.4 Fees of the Depositary, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent**

The Depositary, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent is entitled to receive, out of the assets of each Class within each Sub-Fund, a fee calculated in accordance with customary banking practice in Luxembourg. In addition, the Depositary, Administrative Agent, Domiciliary Agent, Paying Agent, Registrar, Transfer Agent and Listing Agent is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements and for charges of any correspondents. The Depositary receives the Depositary fee on a quarterly or basis, plus any value-added tax, which must be calculated daily on the net assets of the Fund and paid quarterly in arrears.

## 9.5 Operating and Administrative Expenses

The Fund bears all its Operating and Administrative Expenses including but not limited to: formation expenses such as organization and registration costs and material costs of any service provider as approved by the Board of Directors; the Luxembourg asset-based tax d'abonnement (up to the maximum rate referred to in Section 11 "Taxation"); attendance fees and reasonable out-of-pocket expenses incurred by the Board of Directors; expenses incurred by the Management Company on behalf of the Fund; legal and auditing fees and expenses; ongoing registration and listing fees (including translation expenses and fees due to authorised participants, market makers, as relevant); and the costs and expenses of preparing, printing, and distributing the Prospectus, the KIDs, financial reports and other documents made available to Shareholders, as well as where relevant research fees. Operating and Administrative Expenses do not include Transaction Fees and Extraordinary Expenses. Directors will be entitled to receive remuneration from the Fund as disclosed in the annual financial statements of the Fund.

The Fund's final formation expenses will be capitalised and amortised over a period of five years, as permitted by Luxembourg law. The expenses relating to the creation of new Sub-Funds may be capitalised and amortised over a period not exceeding five years, as permitted by Luxembourg law. Initial formation expenses will not exceed Euro 500,000 for the Fund and will be borne by the Sub-Funds and allocated Directors in their absolute discretion.

## 9.6 Extraordinary Expenses

The Fund bears any reasonable Extraordinary Expenses, as approved by the Board of Directors. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-Funds to which they are attributable.

## 9.7 Rebate Arrangements

Subject to applicable law and regulations, the Investment Manager may at its discretion and at its own expense, on a negotiated basis, enter into private arrangements with a distributor pursuant to which the Investment Manager makes payments to or for the benefit of such distributor which represent a rebate of all or part of the fees paid by the Fund to the Investment Manager. In addition, subject to applicable law and regulations, the Investment Manager or a distributor may at their discretion, on a negotiated basis, enter into private arrangements with a holder or prospective holder of Shares pursuant to which the Investment Manager or distributor is entitled to make payments to such holder of Shares of part or all of such fees. Consequently, the effective net fees payable by a Shareholder who is entitled to receive a rebate under the arrangements described above may be lower than the fees payable by a Shareholder who does not participate in such arrangements. Such arrangements reflect terms privately agreed between parties other than the Fund, and for the avoidance of doubt, the Fund cannot, and is under no duty to, enforce equality of treatment between Shareholders by other entities.

## 9.8 Directors Fees

Directors of the Fund shall be entitled to fees up to a total of Euro 20,000 per annum and per Director. These fees will be accrued equally across all Sub-Funds and are payable quarterly in arrears. These fees may be net or gross of taxes as outlined in the individual Director's service contracts.

## 9.9 Shari'a Advisor Fees

The remuneration of the Shari'a Advisor is determined and paid by the Investment Manager and in the first instance to be later recharged to the Shari'a compliant Sub-Funds. The annual standard fee charged by the Shari'a Advisor currently amounts to \$50,000 per annum.

## 10. Investment Restrictions and Financial Techniques and Instruments

### 10.1 Investment Restrictions

10.1.1 The assets of the Sub-Funds shall comprise only one or more of the following:

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- (b) Transferable Securities and Money Market Instruments dealt in on any Other Regulated Market in a Member State;
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in any Other State or dealt in on any Other Regulated Market in an Other State;
- (d) recently issued Transferable Securities and Money Market Instruments, provided that:
  - i) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or on any Other Regulated Market as described under items (a), (b) or (c) above of this Section 10.1.1; and
  - ii) such admission is secured within one year of issue;
- (e) units of UCITS and/or other UCIs within the meaning of the first and second indent of Article 1 paragraph 2, points a) and b) of Directive 2009/65/EC, whether or not established in a Member State or in any Other State, provided that:
  - i) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong, Japan, Norway, the Isle of Man, Jersey and Guernsey);
  - ii) the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC;
  - iii) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - iv) no more than 10% of the assets of such UCITS or of the other UCIs, whose acquisition is contemplated can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs.



(f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law;

(g) financial derivative instruments, i.e. in particular credit default swaps, options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on any Other Regulated Market referred to in item (a),

(b) or (c) above of this Section 10.1.1, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- i) the underlying consists of instruments covered by this Section 10.1.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to its investment objectives;
- ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
- iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Funds' initiative. Under no circumstances shall such operations cause the Sub-Funds to diverge from its investment objectives.

(h) Money Market Instruments other than those dealt in on a Regulated Market or on any Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- i) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, any Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
- ii) issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in items (a), (b) or (c) above of this Section 10.1.1;
- iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by EU law; or
- iv) issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in any other sub-paragraph of this item (h) provided that the issuer is a company whose capital and reserves amount to at €10,000,000 and which presents and publishes its annual accounts in accordance with EC Directive 78/660/EEC as amended, or is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

10.1.2 Each Sub-Fund may however:

- (i) invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under items (a) to (d) and (h) of Section 10.1.1;
- (j) not hold more than 20% of its net assets in cash (such as bank deposits at sight) for ancillary liquidity purposes, under normal market conditions. Under exceptionally unfavorably negative conditions the limit may be breached, provided this breach is limited in time and justified by the interest of the shareholders.
- (k) borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis (collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction); and
- (l) acquire foreign currency by means of a back-to-back loan.

10.1.3 In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

#### 10.1.3.1 Risk Diversification Rules

For the purpose of calculating the restrictions described under items (a) to (e) and (h) of this Section 10.1.3, companies which are included in the same Group of Companies are regarded as a single issuer.

#### Transferable Securities and Money Market Instruments

(a) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- i) upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or
- ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets.

(b) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(c) The limit of 10% set forth above under item (a) i) of this Section 10.1.3.1 is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(d) The limit of 10% set forth above under item (a) i) of this Section 10.1.3.1 is increased up to 25% for bonds that fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from

the issue of those bonds issued before 8 July 2022 must be invested, in accordance with the Law, in assets which, during the entire validity of the bonds, sufficiently cover the liabilities arising there from and that in the event of the issuer's default are assigned with priority to the repayment of capital and the payment of accrued interest. Where the Company invests more than 5% of the net assets of a Sub-Fund in the bonds referred to in this paragraph and issued by a single issuer, the total value of said investments may not exceed 80% of the value of the net assets of the relevant Company Sub-Fund.

(e) The securities specified above under items c) and d) above of this Section 10.1.3.1 are not to be included for purposes of computing the limit of 40% set forth above under item (a) ii) of this Section 10.1.3.1

**(f) Notwithstanding the limits set forth above and subject to sufficient Shareholders' protection, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by one or more of its local authorities, by a member state of the OECD or the Group of twenty (G20), by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China or by a public international body of which one or more Member States of the EU are members provided that:**

**(i) such securities are part of at least six different issues; and**

**(ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**

(g) Without prejudice to the limits set forth under Section 10.1.3.2, the limits set forth under item (a) above of this Section 10.1.3.1 are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

i) the composition of the index is sufficiently diversified;

ii) the index represents an adequate benchmark for the market to which it refers; and

iii) the index is published in an appropriate manner.

The limit of 20% is raised to 35% where justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. Investment up to such limit is only permitted for a single issuer.

#### Intra-fund Investment

For the avoidance of doubt, a Sub-Fund may invest in another Sub-Fund of the Fund provided that;

i) The target Sub-Fund does not invest in turn (at the same time) in the acquiring Sub-Fund;

ii) No more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested in other target compartments of the Fund;

iii) Voting rights, if any attaching to the relevant securities are suspended for as long as they are held by the acquiring Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports;

- iv) For as long as these securities are held by the acquiring Sub-Fund their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum asset thresholds imposed by law and;
- v) There is no duplication of management /subscription or repurchase fees between those at the level of acquiring Sub-Fund and the target Sub-Fund.

#### Bank Deposits

(h) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

#### Financial Derivative Instruments

(i) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in item (f) of Section 10.1.1 above or 5% of its net assets in other cases.

(j) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in items (a) to (e), (h), (i), (m) and (n) of this Section 10.1.3. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in items (a) to (e), (h), (i), (m) and (n) of this Section 10.1.3.

(k) When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of such sub-section related to financial derivative instruments as well as with the risk exposure and information requirements laid down in this Prospectus.

#### Units of Open-Ended Funds

(l) Except as otherwise stated in Appendix 1 with respect to a specific Sub-Fund, a Sub-Fund cannot invest more than 20% of its net assets in the units of any single UCITS or UCI.

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

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of a UCITS.

(m) By derogation to the above, any Sub-Fund may act as a feeder fund (the "Feeder") of a master fund. In such case, the Feeder shall invest at least 85% of its assets in shares/units of another UCITS or of a Sub-Fund of such UCITS (the "Master"), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The Feeder may not invest more than 15% of its assets in one or more of the following:

- i. ancillary liquid assets in accordance with Article 41 (2) of the Law of 2010;

- ii. financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law of 2010;
- iii. movable and immovable property which is essential for the direct pursuit of the Fund's business.

When a Sub-Fund invest in the shares/units of a Master which is managed, directly or by delegation, by the same Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, that Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

#### Combined limits

- (n) Notwithstanding the individual limits laid down in items (a), (h) and (i) above, a Sub-Fund may not combine:
- i) investments in Transferable Securities or Money Market Instruments issued by;
  - ii) deposits made with; and/or
  - iii) exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

(o) The limits set out in items (a), (c), (d), (h), (i) and (m) above of this Section 10.1.3.1 may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or financial derivative instruments made with this body carried out in accordance with (a), (c), (d), (h), (i) and (m) above of this Section 10.1.3.1 may not exceed a total of 35% of the net assets of a Sub-Fund.

#### 10.1.3.2 Limitations on Control

(o) No Sub-Fund may acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or to exercise a significant influence over the management of the issuer.

- (p) No Sub-Fund may acquire:
- i) more than 10% of the outstanding non-voting shares of any one issuer;
  - ii) more than 10% of the outstanding debt securities of any one issuer;
  - iii) more than 10% of the Money Market Instruments of any one issuer; or
  - iv) more than 25% of the outstanding shares or units of any one UCI.

The limits set forth in sub-paragraphs ii) to iv) above of this item (p) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the securities in issue cannot be calculated.

- (q) The limits set forth above under items (o) and (p) of this Section 10.1.3 do not apply in respect of:
- i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
  - ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
  - iii) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);

- iv) shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that: (i) such company invests its assets principally in securities issued by issuers of that State; (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and (iii) such company observes in its investments policy the restrictions set forth in items (a) to (e), (h), (i) and (l) to (p) (except (l')) of this Section 10.1.3; or
- v) shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of Shareholders.

10.1.4 Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

- (a) No Sub-Fund may acquire precious metals or certificates representative thereof.
- (b) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (c) No Sub-Fund may use its assets to underwrite any securities.
- (d) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.
- (e) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as detailed in items (e), (g) and (h) of Section 10.1.1.
- (f) No Sub-Fund may enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed in items (e), (g) and (h) of Section 10.1.1.

10.1.5 Notwithstanding anything to the contrary herein contained:

- (a) The limits set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to Transferable Securities or Money Market Instruments in such Sub-Fund's portfolio.
- (b) If such limits are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.
- (c) The Board of Directors has the right to amend investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares in the Fund are offered or sold.

## 10.2 Investment Techniques and Instruments

With the exception of the Shari'a compliant Sub-Funds as defined under Appendix 1, each Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments (including but not limited to securities lending and borrowing, repurchase and reverse repurchase agreements) for investment purpose

and efficient portfolio management, where this is in the best interest of the Sub-Fund and in line with its investment objectives (as set forth in detail in Section 5 “Investment Policies” and in Appendix 1) and its investor’s risk profile. In doing so, the Fund shall comply with applicable restrictions and in particular with ESMA guidelines on ETFs and other UCITS issues as described in CSSF circular 13/559.

#### Financial Derivative Instruments

When operations concern the use of financial derivative instruments, the relevant techniques and instruments shall conform to the provisions laid down in Section 10.1 “Investment Restrictions”. In addition, the provisions laid down in Section 10.3 “Risk Management Process” must be complied with. Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment policies and objectives as laid down in Section 5 “Investment Policies” and in Appendix 1. A Sub-Fund may invest in financial derivative instruments including but not limited to foreign exchange forwards, non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, options, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes.

Please refer to section 6. “Risk Factors” (in particular sections 6.36 and 6.37) for risks linked to securities lending transactions and collateral management.

Non deliverable forwards is a generic term for a set of financial derivative instruments which cover notional currency transactions, including FX forward swaps, cross currency swaps and coupon swaps in non-convertible or highly restricted securities. Non deliverable forwards calculate the implied interest rates of the non-deliverable currency, given the settlement currency interest rates and either the current spot exchange rate and forward points, or the outright forwards.

Total return swaps are any swaps in which the non-floating rate side is based on the total return of a currency or fixed income instrument with a life longer than the swap. Total return swaps are most common in equity or physical commodity markets, but they can be used in fixed income markets where the non-domestic holder of a fixed income security would be subject to a withholding tax, but where the withholding tax may be avoided if the debt instrument is held by a domestic investor who pays the total return to a foreign investor by way of a total return swap. Total return swaps are also used to transfer credit exposure.

Where a Sub-Fund enters into a total return swap or invests in other derivatives with similar characteristics:

- (a) the assets held by the Sub-Fund should comply with the investment limits set out in articles 52 to 56 of Directive 2009/65/EC; and
- (b) the underlying exposures of such derivatives must be taken into account to calculate the investment limits laid down in article 52 of Directive 2009/65/EC.

Interest rate swaps provide for an exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. Each party thereby gains indirect access to the fixed or floating capital markets. Currency swaps are bilateral financial contracts to exchange the principal and interest in one currency for the same in another currency in order to hedge specific currency risk. Swaptions are options on an interest rate swap. The buyer of a swaption has the right to enter into an interest rate swap agreement by some specified date in the future. The swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer.

The writer of the swaption becomes the counterparty if the buyer exercises. Credit default swaps are bilateral financial contracts in which one counterparty (the “protection buyer”) pays a periodic fee in return for a contingent payment by the other counterparty (the “protection seller”) following a credit event of a reference issuer. The protection buyer acquires the right to exchange particular bonds or loans issued by the reference issuer with the protection seller for its or their par value, in an aggregate amount up to the notional value of the contract, when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement. Credit linked notes are structured notes that enable access to local or external assets which are otherwise inaccessible to the Sub-Fund. Credit linked notes are issued by highly rated financial institutions; where credit linked notes are not listed or dealt in on a Regulated Market, the investment in credit linked notes shall always be within the limit of 10% laid down in item (a) of Section 10.1.2; the legal restrictions are applied to the issuer of the credit linked notes as well as to the underlying thereof. In those cases where credit linked notes are listed or dealt in on a Regulated Market, the aforementioned limit of 10% shall not apply and the investment restrictions applicable to credit linked notes shall be those laid down in Section 10.1.3. “Securities Lending and Borrowing and Repurchase” and “Reverse Repurchase Agreement Transactions” Each Sub-Fund may further for efficient portfolio management purposes, enter into securities lending and borrowing and repurchase and reverse repurchase agreement transactions in compliance with the applicable regulations.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

Authorised counterparties to OTC financial derivative transactions, including total return swaps, are specialised in the relevant types of transactions and are either credit institutions with a registered office in New York, London, Hong Kong or the GCC or an investment firm, authorised under the MiFID directive or an equivalent set of rules, and subject to prudential supervision, with a minimum rating of Baa3 or its equivalent.

#### *Collateral*

The Fund must receive a collateral where engaging into OTC financial derivatives and efficient portfolio techniques. Such collateral should comply with the following rules:

1. **Liquidity** – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC reflected under indent (o) to (q) of sub-section 10.1.3.2. herein.
2. **Valuation** – the collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
3. **Issuer credit quality** – the collateral received should be of high quality.
4. **Correlation** – the collateral received by the Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
5. **Collateral diversification (asset concentration)** – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered



to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

6. The Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the *risk management process*.
7. Where there is a title transfer, the collateral received should be **held by the Depositary Bank** or one of its sub-custodians to which the Depositary Bank has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
8. The Collateral received should be capable of being fully **enforced** by the Fund at any time without reference to or approval from the counterparty.
9. Non-cash collateral received should not be sold, re-invested or pledged.
10. Cash collateral received should only be:
  - placed on deposit with entities prescribed in Article 50 (f) of the Directive 2009/65/EC reflected under indent (f) of sub-section 10.1.3.1.;
  - invested in high-quality government bonds;
  - used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
  - invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described under section “Collateral Management”.

#### Collateral policy

Collateral received by a Fund, where applicable, shall predominantly be limited to cash and government bonds. In addition, the cash collateral received may be re-invested in line with the guidelines of ESMA 2012/832EN.

#### Valuation of collateral

Collateral will be valued, on a daily basis, using available market prices in accordance with the rules set out in this Prospectus as well as a daily variation margins, and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions.

## Haircut policy

The following haircuts for collateral in OTC transactions are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this prospectus shall be amended accordingly, subject to CSSF approval):

Eligible Collateral	Remaining Maturity	Valuation Percentage
Cash	N/A	0%
Government Bonds	One year or under	0%
	More than one year up to and including five years	Up to 3%
	More than five years up to and including ten years	Up to 5%
	More than ten years up to and including thirty years	Up to 10%
	More than thirty years up to and including forty years	Up to 15%
	More than forty years up to and including fifty years	Up to 15%

### 10.3 Risk Management Process

In accordance with the Law of 2010 and other applicable regulations, in particular CSSF Circular 11/512, the Fund, through the Management Company, uses a risk management process which enables it to assess the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund. In relation to financial derivative instruments the Fund employs a process for accurate and independent assessment of the value of OTC derivatives and the Fund ensures for each of its Sub-Funds that its global exposure relating to financial derivative instruments does not exceed the limits as set out in Appendix 1. The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Section 10.1 "Investment Restrictions", in financial derivative instruments provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section 10.1 "Investment Restrictions". When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section 10.1 "Investment Restrictions".

When a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this Section 10.3.

## 11. Luxembourg Anti-Money Laundering Regulations

In an effort to deter money laundering, the Fund and its delegates must comply with all applicable international and Luxembourg laws and circulars regarding the prevention of money laundering and in particular with the Luxembourg

law dated 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the "**Law of 2004**") as well as any circular or guidelines issued from time to time by the Regulatory Authority in furtherance of the Law of 2004. To that end, the Fund and its delegates may request information necessary to establish the identity of a potential investor and the origin of subscription proceeds. Failure to provide documentation may result in a delay or rejection by the Fund of any subscription or exchange or a delay in payout of redemption of Shares by such investor.

## **12. Sustainability-related disclosures**

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**"), the Fund is required to disclose the manner in which Sustainability Risks (as defined in the Definitions section) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Company.

The Fund does not actively promote Sustainability Factors and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. The different Sub-Funds are hence subject to Article 6 of SFDR.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level, further detail and specific information is given in each relevant Sub-Fund.

As the Fund and its Sub-Funds are not identified as subject to the disclosure requirements of Article 8 or Article 9 of the SFDR, each Sub-Fund is subject to the Article 7 of the Regulation (EU) 2020/852 and must disclose that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. Relevant information is available in the Sub-Fund specific sections below.

## **13. Taxation**

### **13.1 Taxation of the Fund**

#### ***Subscription tax***

The Fund is as a rule liable in Luxembourg to a subscription tax (taxe d'abonnement) of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of each Sub-Fund at the end of the relevant calendar quarter.

This rate is however of 0.01% per annum for:

- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in deposits with credit institutions;
- individual Sub-Funds of UCIs with multiple Sub-Funds as well as for individual classes of securities issued within a UCI or within a Sub-Fund of a UCI with multiple Sub-Funds, provided that the securities of such Sub-Funds or classes are reserved to one or more institutional investors.

The I and P share classes are reserved for institutional investors and consequently bear a subscription tax of 0.01% per annum.

Are further exempted from the tax d'abonnement:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual Sub-Funds of umbrella funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;
- UCIs whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institution; and
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and (ii) whose exclusive object is to replicate the performance of one more indices. If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition of sub-point (i).

### ***EU Savings Directive***

Under the Luxembourg laws dated 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments ("EU Savings Directive"), as amended by the Luxembourg law of 25 November 2014 concerning the procedure applicable to the exchange of tax information upon request, (together referred to as the "**Laws**"), and several agreements concluded between Luxembourg and certain dependant and associated territories of the European Union (the "**Associated Territories**"), a Luxembourg paying agent (within the meaning of article 4.1 of the EU Savings Directive) is required to provide the LTA with information on payments of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity in the meaning of article 4.2. of the EU Savings Directive (i.e. an entity (i) without legal

personality (except for a Finnish *avoin yhtiö* and *kommandiittiyhtiö/öppet bolag* and *kommanditbolag* and a Swedish *handelsbolag* and *kommanditbolag*) and (ii) whose profits are not taxed under the general arrangements for the business taxation and (iii) which is not, or has not opted to be considered as, an undertaking for collective investment in transferable securities ("**UCITS**") authorised in accordance with Council Directive 2009/65/EC (namely the **Residual Entities**"), resident or established in another EU Member State than Luxembourg. The LTA then communicates such information to the competent authority of such EU Member State.

The same regime applies to payments to individuals or Residual Entities resident or established in one of the following Associated Territories: Aruba, British Virgin Islands, Curacao, Guernsey, Isle of Man, Jersey, Montserrat and Sint Maarten.

The EU Savings Directive has been repealed by Council Directive of 2015/2060 of 10 November 2015 with effect from 1 January 2016. However, for a transitional period, the EU Savings Directive shall continue to apply and notably regarding reporting obligations and scope of information to be provided by the Luxembourg paying agent (within the meaning of the EU Savings Directive) and regarding obligations of the Member States in respect of the issuance of the tax residence certificate and elimination of double taxation. As a consequence of the repeal of the EU Savings Directive, the Laws will no longer apply.

On 9 December 2014, the Council of the European Union adopted Directive 2014/107/EU amending Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"), including income categories contained in the EU Savings Directive. The adoption of the aforementioned directive implements the CRS and generalises the automatic exchange of information within the European Union as of 1 January 2016.

Thus, the measures of cooperation provided by the EU Savings Directive are to be replaced by the implementation of the DAC Directive which is also to prevail in cases of overlap of scope. As Austria has been allowed to start applying the DAC Directive up to one year later than other Member States, special transitional arrangements taking account of this derogation apply to Austria.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters that implements the DAC Directive and the Multilateral Agreement in Luxembourg has been published in the official journal on 24 December 2015 and is effective as from 1 January 2016.

The foregoing does not constitute investment or tax advice and the Shareholders should get information about, and where appropriate take advice on, the impact of the changes to the EU Savings Directive, the implementation of the DAC Directive and the Multilateral Agreement in Luxembourg and in their country of residence on their investment.

### **Income tax**

Under current law and practice, the Fund is not liable to any Luxembourg income tax.

### ***Value added tax***

The Fund is considered in Luxembourg as a taxable person for value added tax (“VAT”) purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments made by the Fund to its Shareholders, as such payments are linked to their subscription to the Fund’s Shares and do therefore not constitute the consideration received for taxable services supplied.

The above information is based on the law in force and current practice and is subject to change. In particular, a pending case law before the European Court of Justice might impact the VAT treatment of the investment advisory services (C-275/11).

### ***Other taxes***

No stamp or other tax is generally payable at a proportional rate in Luxembourg in connection with the issue of Shares against cash by the Fund.

Any amendment to the Articles of the Fund is generally subject to a fixed registration duty of seventy-five Euro (EUR 75.-).

## 13.2 Taxation of the Shareholders

### ***Luxembourg tax residency of the shareholders***

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the shares or the execution, performance or enforcement of his/her rights hereunder.

### ***Income tax***

A Luxembourg resident Shareholder is not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the Fund.

- *Luxembourg resident individuals*

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Fund whose shares are being disposed of. A shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

- *Luxembourg resident companies*

A Luxembourg resident Fund (*société de capitaux*) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

- *Luxembourg residents benefiting from a special tax regime*

Shareholders which are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the law of 17 December 2010, (ii) specialized investment funds subject to the amended Law of 13 February 2007 and (iii) family wealth management companies governed by the law of 11 May 2007, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

- *Luxembourg non-resident shareholders*

A non-resident, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident Fund which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to

an individual, acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### ***Net wealth tax***

A Luxembourg resident, or a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the law of 17 December 2010, (iii) a securitization Fund governed by the law of 22 March 2004 on securitization, (iv) a Fund governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007, or (vi) a family wealth management Fund governed by the law of 11 May 2007.

### ***Other taxes***

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the shares, if the gift is recorded in a Luxembourg notary deed or otherwise registered in Luxembourg.

#### **11.1 UK Reporting Funds**

On 1 December 2009, the UK Government enacted the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) which replaced the UK Distributor Status regime. Funds which have opted to enter this new regime are referred to as 'Reporting Funds'. Under the new regime, investors in Reporting Funds are subject to tax on the share of the Reporting Fund's income attributable to their holding in the Fund, whether or not distributed, but any gains on disposal of their holding are subject to capital gains tax. The new UK Reporting Funds regime applies to the Fund with effect from 1 July 2011.

#### **11.2 US Foreign Account Tax Compliance Requirements ("FATCA")**

##### **General introduction of the FATCA obligations**

The Fund may be subject to regulations imposed by foreign regulators, in particular, the Hiring Incentives to Restore Employment Act (the "Hire Act") which was signed into U.S. law in March 2010. It includes provisions generally known as the Foreign Account Tax Compliance Act ("FATCA"). The objective of this law is to combat U.S. tax evasion by certain U.S. Persons and obtain from non-US financial institutions ("Foreign Financial Institutions" or "FFIs") information relating to such persons that have direct or indirect accounts or investments in those FFIs.



In case FFIs choose not to comply with FATCA, FATCA will impose a withholding tax of 30 % on certain U.S. source income and gross sales proceeds.

To be relieved of this 30% withholding tax, FFIs will need to enter into an agreement (the “FFI agreement”) with the Internal Revenue Service (the “IRS”) except if they are incorporated in a country that entered into a Model I Intergovernmental Agreement (“IGA”) with the United States. In this latter case, FFIs will be obliged to comply with the provisions of FATCA under the terms of their IGA and their country-equivalent IGA legislation implementing FATCA.

In particular, as of July 2014, FFIs are required to report directly or indirectly through their local authority to the IRS certain holdings by and payments made to (i) certain U.S. Persons, (ii) certain non-financial foreign entities (“NFFEs”) owned by certain U.S. Persons (iii) and FFIs that do not comply with the terms of the FATCA Legislation.

#### Applicability to the Fund

Being established in Luxembourg and subject to the supervision of the Commission de Surveillance du Secteur Financier (“CSSF”), in accordance with the Law of 17 December 2010, the Fund will be treated as an FFI for FATCA purposes.

Luxembourg has entered into a Model I IGA with the United States on 28 March 2014, which means the Fund must comply with the requirements of the Luxembourg IGA. This includes the obligation for the Fund to regularly assess the status of its investors. To this extent, the Fund will need to obtain and verify information on all of its investors. Upon request of the Fund, each investor agrees to provide certain information, including, in case of a NFFE, the direct or indirect owners above a certain threshold of ownership of such Shareholder, along with the required supporting documentation. Similarly, each investor agrees to actively provide to the Fund within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

In certain conditions when the investor does not provide sufficient information, the Fund will take actions to comply with FATCA. This may result in the obligation for the Fund to disclose the name, address and taxpayer identification number (if available) of the investor as well as information like account balances, income and capital gains (non-exhaustive list) to its local tax authority under the terms of the applicable IGA.

A failure for the Fund to obtain such information from each Shareholder and to transmit it to the Luxembourg authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source incomes and on proceeds from the sale of property or other assets that could give rise to US source interests and dividends.

The Fund may with regards to any Shareholder that fails to comply with the Fund’s documentation requests in its sole discretion, redeem the shares of such shareholder.

All prospective shareholders are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Investors should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

## Appendix 1: Available Sub-Funds

The information set out below in relation to each Sub-Fund should be read in conjunction with the full text of this Prospectus. Any investment policy will always be subject to the restrictions set out in Section 10 “Investment Restrictions and Financial Techniques and Instruments”. The specific risk factors for each Sub-Fund are set out below by reference to Section 6 “Risk Factors” which sets out the relevant risk factors for each Sub-Fund in more detail. For the purpose of all credit ratings, in instances where two different credit ratings are published by independent credit rating agencies for a specific security, the lower of these ratings shall be decisive. Where three or more ratings are published by independent credit rating agencies for a specific security, the lower of the top two ratings shall be decisive. The Sub-Funds may invest in unrated securities whose creditworthiness is, in the opinion of the Investment Manager of comparable quality to other securities eligible for inclusion in the relevant Sub-Fund’s portfolio and/or the constituents of the relevant benchmark index of such Sub-Fund. The internal rating assigned to such securities by the Investment Manager will be used for the purpose of calculating the specified thresholds within each Sub-Fund’s investment policy. For each investment policy detailed below, all references to investment shall include both direct and indirect investment, unless otherwise stated. For each investment policy detailed below, an entity’s country of domicile may be determined by the Investment Manager to be the country in which, in the Investment Manager reasonable opinion, such entity carries out its significant business operations. Where valuation of the Net Asset Value per Share occurs daily, each Business Day shall be a Valuation Day.

The Investment Manager may manage the currency allocation of each Sub-Fund.

### Definitions

In this Appendix, the following terms shall have the following meanings:

“**B-/B3**” means rated B- by Standards & Poor’s, B3 by Moody’s, or the equivalent rating of any other recognized ratings agency or investment authority deemed appropriate by the Investment Manager .

“**Investment Grade**” means rated BBB- or above by Standard & Poor’s, Baa3 or above by Moody’s, or an equivalent rating from any other recognised rating agency.

“**Emerging Market Countries**” means all countries in the following regions: Asia (excluding Japan), Eastern Europe, Middle East, Africa and Latin America, or such countries as reasonably determined by the Investment Manager from time to time.

“**Emerging Market Issuer**” means an entity domiciled in an Emerging Market Country.

“**Local Currencies**” means currencies of Emerging Market Countries.

“**Hard Currencies**” means G7 country currencies, i.e. USD, Canadian Dollars, EUR, GBP or Japanese Yen.

## **SCHEDULE A: GLOBAL OPPORTUNITIES CAUTIOUS FUND**

**Shari'a Compliance:** No.

**Reference Currency:** US Dollars.

### **Investment Objective:**

The Sub-Fund is an actively managed fund of funds which will aim to provide investors with a professionally managed means of participating in investments across a range of asset classes across fixed income, equities, money market and other sectors through investing in Funds. The Sub-Fund will seek to provide a total return (consisting of reinvestment of income and capital appreciation) over the longer term by investing in underlying funds which may invest their assets worldwide and hence allow the Sub-Fund to offer a broad geographical and manager diversification. Returns may display short- and medium-term volatility as the Sub-Fund is permitted to invest in assets that seek higher returns or assets whose currency is different from the denomination of the Sub-Fund. Exposure within the Sub-Fund is biased towards fixed income (with at least 75% invested in this asset class) with a limited exposure towards other asset classes. No more than 25% will be invested in equity or equity related investments. Additionally, certain share classes of the Sub-Fund will also distribute income which will be declared to relevant classes of the Sub-Fund on a monthly basis at levels approved by the Directors from time to time.

### **Investment Advisor:**

Principal Global Investors leads global asset management at Principal®. As a multi-boutique firm, the firm brings a focused perspective and offers expertise across a host of investment capabilities: asset allocation, fixed income, equities, real estate, currency, stable value, and other structured investment strategies. As of 30 June 2022, the firm managed \$US469.8 billion of assets on behalf of a broad range of sophisticated investors.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- It will be run on a fund of funds basis (including exchange traded funds) provided that these operate on the principle of risk-spreading and are eligible as further described in Section 10 of this Prospectus;
- Can fully invest but not less than 75% of its assets in bond funds, with a neutral weight of 85% and can invest up to 25% of its assets in equity funds, with a neutral weight of 15%.
- invest up to 25% in collective investment schemes that invest in equity or equity-linked securities.
- under normal circumstances, hold, cash equivalent investments only when the Investment Manager reasonably regards it as necessary in order to enable redemptions of Shares to be made, for the efficient management of the Sub-Fund, to protect capital or where the interest rate is higher from these deposits than capital otherwise employed and in accordance with the Sub-Fund's investment objectives.
- No one collective investment scheme shall, at time of acquisition, represent more than 10% of the assets of the Sub-Fund.
- not have more than 35% exposure to a single management group.
- not have more than 25% ownership of a single collective investment scheme.
- not acquire an asset whose purchase involves a liability that is unlimited.

- permit hedging to protect the assets of the Sub-Fund provided that this does not create net negative exposure (hedge not to exceed the value of the assets being hedged) measured at the time that the trade is placed.
- not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, other than for effective portfolio management purposes.
- The Sub-Fund may invest in other eligible funds managed by the Investment Manager. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager, the Investment Advisor or any related party.
- No underlying fund will be purchased with an annual Management Fee greater than 2%.

Limits stated herein will not apply for the first three months after the inception of the Sub-Fund to allow time for the Investment Manager and Investment Advisor to allocate capital efficiently (the “Ramp Up Period”). Restrictions will apply after the Ramp-Up Period save for limits that are breached solely due to market movements or inflows and outflows of capital from the Sub-Fund (each a “Passive Reason” and together the “Passive Reasons”). The Investment Manager must have due regard to the limits caused by the Passive Reasons but is not obligated to take action as a result.

The above does however not apply to the investment restrictions in Section 10 of the Prospectus.

Insofar as is permitted under Luxembourg Law, the investment restrictions of this Sub-Fund shall not be amended without Shareholder consent. Such Shareholder consent should be sought via an extraordinary general meeting of all Shareholders of this Sub-Fund. No quorum is required and a simple majority of the Sub-Fund’s Shareholders’ vote shall be considered satisfactory for the purposes of approving or rejecting any proposals in relation to the investment restrictions’ modification.

Furthermore, the Sub-Fund may, during its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party. The Sub-Fund will not invest in Collective Investment Schemes with a management charge in excess of 2.0% per annum.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.8, 6.10, 6.11, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27, 6.28, 6.29, 6.30, 6.33 and 6.39.

Specific Risk Factor applying to Fund of Funds: the performance and risks of a fund of funds directly correspond to the performance and risks of the underlying funds in which the fund invests. Shareholders bear indirectly their proportionate share of the expenses of other investment companies in which the fund invests.

**Sustainability Risks Likely Impact on Fund's Return:** It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), low-medium risk profile, seeking predominantly fixed income diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation Frequency:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class holders on a monthly basis.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:** The Sub-Fund's risk exposure shall be calculated in accordance with the commitment methodology, as further defined above.

Global Opportunities Cautious Fund						
Class	Currency	Management fee (p.a.)*	Deferred Sales Fee	Class type	Minimum initial investment*	Minimum top up**
A ACC	USD	1.00%	N/A	Accumulating	\$500	\$100
A INC	USD	1.00%	N/A	Distribution	\$500	\$100
T ACC	USD	1.50%	N/A	Accumulating	\$500	\$100
T INC	USD	1.50%	N/A	Distribution	\$500	\$100
G ACC	USD	0.50%	N/A	Accumulating	\$500	\$100
G INC	USD	0.50%	N/A	Distribution	\$500	\$100
D ACC	USD	1.20%	2%	Accumulating	\$500	\$100
D INC	USD	1.20%	2%	Distribution	\$500	\$100
I ACC	USD	0.35%	N/A	Accumulating	\$5,000,000	\$100,000
A ACC	GBP	1.00%	N/A	Accumulating	\$500	\$100

A INC	GBP	1.00%	N/A	Distribution	\$500	\$100
T ACC	GBP	1.50%	N/A	Accumulating	\$500	\$100
T INC	GBP	1.50%	N/A	Distribution	\$500	\$100
G ACC	GBP	0.50%	N/A	Accumulating	\$500	\$100
G INC	GBP	0.50%	N/A	Distribution	\$500	\$100
D ACC	GBP	1.20%	2%	Accumulating	\$500	\$100
D INC	GBP	1.20%	2%	Distribution	\$500	\$100
A ACC	EUR	1.00%	N/A	Accumulating	\$500	\$100
A INC	EUR	1.00%	N/A	Distribution	\$500	\$100
T ACC	EUR	1.50%	N/A	Accumulating	\$500	\$100
T INC	EUR	1.50%	N/A	Distribution	\$500	\$100
G ACC	EUR	0.50%	N/A	Accumulating	\$500	\$100
G INC	EUR	0.50%	N/A	Distribution	\$500	\$100
D ACC	EUR	1.20%	2%	Accumulating	\$500	\$100
D INC	EUR	1.20%	2%	Distribution	\$500	\$100

\* This figure represents the maximum charge that might be applied and may be reduced at the discretion of Directors from time to time.

\*\*or currency equivalent thereof.

**Placement Fee:** In respect of the A ACC and INC, G ACC and INC, T ACC and INC shares, a Placement Fee of up to 3% may be charged by the Fund. Such Placement Fee will be payable by the Fund to the Global Distributor for its absolute use and benefit in full following confirmation of the relevant subscription. Such Placement Fee will be paid within 15 Business Days of receipt of such confirmation.

**Deferred Sales Fee:** In respect of the CLASS D ACC Shares and the CLASS D INC Shares, there is no Placement Fee and investors will receive an allotment of Shares equivalent to 100% of their subscription amount.

However, a deferred sales fee (a "Deferred Sales Fee"), equal to 2.0% of the aggregate subscription proceeds in relation to any subscription for Class D ACC Shares or Class D INC Shares will be payable by the Fund to the Global Distributor in full following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

Each Deferred Sales Fee will be amortised by the Fund on each Valuation Day for the first two years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be compensated to the fund by the redeeming investor.

Upon redemption, the corresponding portion of the Deferred Sales Fees will be retained solely for the benefit of remaining Shareholders of the Sub-Fund. These fees may not be waived but, in order to pass this fee back to the Sub-Fund, Directors may accept a range of operational procedures between the Administrator and custody banks and regulated investment platforms where they are of the opinion that remaining investors will not be disadvantaged.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **SCHEDULE B: GLOBAL OPPORTUNITIES MODERATE FUND**

**Shari'a Compliance:** No.

**Reference Currency:** US Dollars.

### **Investment Objective:**

The Sub-Fund is an actively managed fund of funds that will aim to provide investors with a professionally managed means of participating in investments across a range of asset classes across equities, fixed income, money market and other sectors through investing in funds. The Sub-Fund will seek to provide a total return (consisting of reinvestment of income and capital appreciation) over the longer term by investing in underlying funds which may invest their assets worldwide and hence allow the Sub-Fund to offer a broad geographical and manager diversification. Returns may display short- and medium-term volatility as the Sub-Fund is permitted to invest in assets that seek higher returns or assets whose currency is different from the denomination of the Sub-Fund. Exposure within the Sub-Fund is likely to be balanced across equity and fixed income sectors to achieve a globally diversified investment exposure. The Sub-Fund will hold a neutral 60% in fixed income funds and 40% in equity or equity-related funds. Additionally, certain share classes of the Sub-Fund will also distribute income which will be declared to relevant classes of the Sub-Fund on a monthly basis at levels approved by the Directors from time to time.

### **Investment Advisor:**

Principal Global Investors leads global asset management at Principal®. As a multi-boutique firm, the firm brings a focused perspective and offers expertise across a host of investment capabilities: asset allocation, fixed income, equities, real estate, currency, stable value, and other structured investment strategies. As of 30 June 2022, the firm managed \$US469.8 billion of assets on behalf of a broad range of sophisticated investors.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- It will be run on a fund of funds basis (including exchange traded funds) provided that these operate on the principle of risk-spreading which are eligible as further described in Section 10 of this Prospectus;
- invest up to 70%, but not less than 40%, of its assets in bond funds, with a neutral weight of 60%.
- invest up to 60%, but not less than 30%, in collective investment schemes that invest in equity or equity-linked securities, with a neutral weight of 40%.
- under normal circumstances, hold, cash equivalent investments only when the Investment Manager reasonably regards it as necessary in order to enable redemptions of Shares to be made, for the efficient management of the Sub-Fund, to protect capital or where the interest rate is higher from these deposits than capital otherwise employed and in accordance with the Sub-Fund's investment objectives.
- no one collective investment scheme shall, at time of acquisition, represent more than 20% of the assets of the Sub-Fund.
- not have more than 35% exposure to a single management group.
- not have more than 25% ownership of a single collective investment scheme
- not acquire an asset whose purchase involves a liability that is unlimited.



- permit hedging to protect the assets of the Sub-Fund provided that this does not create net negative exposure (hedge not to exceed the value of the assets being hedged) measured at the time that the trade is placed.
- not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, other than for effective portfolio management purposes.
- The Sub-Fund may invest in other eligible funds managed by the Investment Manager. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.
- No underlying fund will be purchased with an annual management fee greater than 2%.

Limits stated herein will not apply for the first three months after the inception of the Sub-Fund to allow time for the Investment Manager to allocate capital efficiently (the “Ramp Up Period”). Restrictions will apply after the Ramp-Up Period save for limits that are breached solely due to market movements or inflows and outflows of capital from the Sub-Fund (each a “Passive Reason” and together the “Passive Reasons”). The Investment Manager must have due regard to the limits caused by the Passive Reasons but is not obligated to take action as a result. The above does however not apply to the investment restrictions in Section 10 of the Prospectus.

Insofar as is permitted under Luxembourg Law, the investment restrictions of this Sub-Fund shall not be amended without Shareholder consent. Such Shareholder consent should be sought via an extraordinary general meeting of all Shareholders of this Sub-Fund. No quorum is required and a simple majority of the Sub-Fund’s Shareholders’ vote shall be considered satisfactory for the purposes of approving or rejecting any proposals in relation to the investment restrictions’ modification.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

Furthermore, the Sub-Fund may, during its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party. The Sub-Fund will not invest in Collective Investment Schemes with a management charge in excess of 2.0% per annum.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.8, 6.10, 6.11, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, 6.24, 6.25, 6.26, 6.27, 6.28, 6.29, 6.30, 6.33 and 6.39.

Specific Risk Factor applying to Fund of Funds: the performance and risks of a fund of funds directly correspond to the performance and risks of the underlying funds in which the fund invests. Shareholders bear indirectly their proportionate share of the expenses of other investment companies in which the fund invests.

**Sustainability Risks Likely Impact on Fund’s Return:** It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking balanced exposure to equity and fixed income sectors for diversification, with an aim to achieve long term capital growth and who are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation Frequency:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class holders on a monthly basis.

**Trading cut offs:** As stated in section 7.2 and 7.4.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the commitment methodology, as further defined above.

Global Opportunities Moderate Fund						
Class	Currency	Management fee (p.a.)*	Deferred Sales Fee	Class type	Minimum initial investment*	Minimum top up**
A ACC	USD	1.00%	N/A	Accumulating	\$500	\$100
A INC	USD	1.00%	N/A	Distribution	\$500	\$100
T ACC	USD	1.50%	N/A	Accumulating	\$500	\$100
T INC	USD	1.50%	N/A	Distribution	\$500	\$100
G ACC	USD	0.50%	N/A	Accumulating	\$500	\$100
G INC	USD	0.50%	N/A	Distribution	\$500	\$100
D ACC	USD	1.20%	2%	Accumulating	\$500	\$100

D INC	USD	1.20%	2%	Distribution	\$500	\$100
I ACC	USD	0.35%	N/A	Accumulating	\$5,000,000	\$100,000
A ACC	GBP	1.00%	N/A	Accumulating	\$500	\$100
A INC	GBP	1.00%	N/A	Distribution	\$500	\$100
T ACC	GBP	1.50%	N/A	Accumulating	\$500	\$100
T INC	GBP	1.50%	N/A	Distribution	\$500	\$100
G ACC	GBP	0.50%	N/A	Accumulating	\$500	\$100
G INC	GBP	0.50%	N/A	Distribution	\$500	\$100
D ACC	GBP	1.20%	2%	Accumulating	\$500	\$100
D INC	GBP	1.20%	2%	Distribution	\$500	\$100
A ACC	EUR	1.00%	N/A	Accumulating	\$500	\$100
A INC	EUR	1.00%	N/A	Distribution	\$500	\$100
T ACC	EUR	1.50%	N/A	Accumulating	\$500	\$100
T INC	EUR	1.50%	N/A	Distribution	\$500	\$100
G ACC	EUR	0.50%	N/A	Accumulating	\$500	\$100
G INC	EUR	0.50%	N/A	Distribution	\$500	\$100
D ACC	EUR	1.20%	2%	Accumulating	\$500	\$100
D INC	EUR	1.20%	2%	Distribution	\$500	\$100

\* This figure represents the maximum charge that might be applied and may be reduced at the discretion of Directors from time to time.

\*\*or currency equivalent thereof.

**Placement Fee:** In respect of the A ACC and INC, G ACC and INC, T ACC and INC shares, a Placement Fee of up to 3% may be charged by the Fund. Such Placement Fee will be payable by the Fund to the Global Distributor for its absolute use and benefit in full following confirmation of the relevant subscription. Such Placement Fee will be paid within 15 Business Days of receipt of such confirmation.

**Deferred Sales Fee:** In respect of the CLASS D ACC Shares and the CLASS D INC Shares, there is no Placement Fee and investors will receive an allotment of Shares equivalent to 100% of their subscription amount.

However, a deferred sales fee (a "Deferred Sales Fee"), equal to 2.0% of the aggregate subscription proceeds in relation to any subscription for Class D ACC Shares or Class D INC Shares will be payable by the Fund to the Global Distributor in full following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

Each Deferred Sales Fee will be amortised by the Fund on each Valuation Day for the first two years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be compensated to the fund by the redeeming investor.

Upon redemption, the corresponding portion of the Deferred Sales Fees will be retained solely for the benefit of remaining Shareholders of the Sub-Fund. These fees may not be waived but, in order to pass this fee back to the Sub-Fund, Directors may accept a range of operational procedures between the Administrator and custody banks and regulated investment platforms where they are of the opinion that remaining investors will not be disadvantaged.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **SCHEDULE C: GLOBAL OPPORTUNITIES GROWTH FUND**

**Shari'a Compliance:** No.

**Reference Currency:** US Dollars.

### **Investment Objective:**

The Sub-Fund is an actively managed fund of funds that will aim to provide investors with a professionally managed means of participating in investments across a range of asset classes across equities, fixed income, money market and other sectors through investing in funds. The Sub-Fund will seek to provide a total return (consisting of reinvestment of income and capital appreciation) over the longer term by investing in underlying funds which may invest their assets worldwide and hence allow the Sub-Fund to offer a broad geographical and manager diversification. Returns may display short- and medium-term volatility as the Sub-Fund is permitted to invest in assets that seek higher returns or assets whose currency is different from the denomination of the Sub-Fund. Exposure within the Sub-Fund is likely to be strongly biased towards equity sectors (at least 50% at all times) with some exposure to the fixed income asset class of at least 10% at all times. Additionally, certain share classes of the Sub-Fund will also distribute income which will be declared to relevant classes of the Sub-Fund on a monthly basis at levels approved by the Directors from time to time.

### **Investment Advisor<sup>1</sup>:**

Principal Global Investors leads global asset management at Principal<sup>®</sup>. As a multi-boutique firm, the firm brings a focused perspective and offers expertise across a host of investment capabilities: asset allocation, fixed income, equities, real estate, currency, stable value, and other structured investment strategies. As of 30 June 2022, the firm managed \$US469.8 billion of assets on behalf of a broad range of sophisticated investors.

### **Investment Restrictions:**

The Sub-Fund may, subject to the general investment restrictions in Section 10:

- It will be run on a fund of funds basis (including exchange traded funds) provided that these operate on the principle of risk-spreading which are eligible as further described in Section 10 of this Prospectus;
- invest up to 50%, but not less than 10%, of its assets in bond funds, with a neutral weight of 30%.
- invest up to 90%, but not less than 50%, in collective investment schemes that invest in equity or equity-linked securities, with a neutral weight of 70%.
- under normal circumstances, hold, cash equivalent investments only when the Investment Manager reasonably regards it as necessary in order to enable redemptions of Shares to be made, for the efficient management of the Sub-Fund, to protect capital or where the interest rate is higher from these deposits than capital otherwise employed and in accordance with the Sub-Fund's investment objectives.
- No one collective investment scheme shall, at time of acquisition, represent more than 20% of the assets of the Sub-Fund.
- not have more than 35% exposure to a single management group.
- not have more than 25% ownership of a single collective investment scheme.
- not acquire an asset whose purchase involves a liability that is unlimited.

- permit hedging to protect the assets of the Sub-Fund provided that this does not create net negative exposure (hedge not to exceed the value of the assets being hedged) measured at the time that the trade is placed
- not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, other than for effective portfolio management purposes.

The Sub-Fund may invest in other eligible funds managed by the Investment Manager . Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.

- No underlying fund will be purchased with an annual management fee greater than 2%.

Limits stated herein will not apply for the first three months after the inception of the Sub-Fund to allow time for the Investment Manager to allocate capital efficiently (the “Ramp Up Period”). Restrictions will apply after the Ramp-Up Period save for limits that are breached solely due to market movements or inflows and outflows of capital from the Sub-Fund (each a “Passive Reason” and together the “Passive Reasons”). The Investment Manager must have due regard to the limits caused by the Passive Reasons but is not obligated to take action as a result. The above does however not apply to the investment restrictions in Section 10 of the Prospectus.

Insofar as is permitted under Luxembourg Law, the investment restrictions of this Sub-Fund shall not be amended without Shareholder consent. Such Shareholder consent should be sought via an extraordinary general meeting of all Shareholders of this Sub-Fund. No quorum is required and a simple majority of the Sub-Fund’s Shareholders’ vote shall be considered satisfactory for the purposes of approving or rejecting any proposals in relation to the investment restrictions’ modification.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

Furthermore, the Sub-Fund may, during its period of existence invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party. The Sub-Fund will not invest in Collective Investment Schemes with a management charge in excess of 2.0% per annum.

No underlying fund will be purchased with an annual administration fee greater than 2%.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.8, 6.10, 6.11, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23,6.24, 6.25, 6.26, 6.27, 6.28, 6.29, 6.30, 6.33 and 6.39.

Specific Risk Factor applying to Fund of Funds: the performance and risks of a fund of funds directly correspond to the performance and risks of the underlying funds in which the fund invests. Shareholders bear indirectly their proportionate share of the expenses of other investment companies in which the fund invests.

**Sustainability Risks Likely Impact on Fund’s Return:** It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium-high risk profile, seeking predominantly equity diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation Frequency:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class holders on a monthly basis.

**Trading cut offs:** As stated in section 7.2 and 7.4.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the commitment methodology, as further defined above.

Global Opportunities Growth Fund						
Class	Currency	Management fee (p.a.)*	Deferred Sales Fee	Class type	Minimum initial investment*	Minimum top up**
A ACC	USD	1.00%	N/A	Accumulating	\$500	\$100
A INC	USD	1.00%	N/A	Distribution	\$500	\$100
T ACC	USD	1.50%	N/A	Accumulating	\$500	\$100
T INC	USD	1.50%	N/A	Distribution	\$500	\$100
G ACC	USD	0.50%	N/A	Accumulating	\$500	\$100
G INC	USD	0.50%	N/A	Distribution	\$500	\$100
D ACC	USD	1.20%	2%	Accumulating	\$500	\$100

D INC	USD	1.20%	2%	Distribution	\$500	\$100
I ACC	USD	0.35%	N/A	Accumulating	\$5,000,000	\$100,000
A ACC	GBP	1.00%	N/A	Accumulating	\$500	\$100
A INC	GBP	1.00%	N/A	Distribution	\$500	\$100
T ACC	GBP	1.50%	N/A	Accumulating	\$500	\$100
T INC	GBP	1.50%	N/A	Distribution	\$500	\$100
G ACC	GBP	0.50%	N/A	Accumulating	\$500	\$100
G INC	GBP	0.50%	N/A	Distribution	\$500	\$100
D ACC	GBP	1.20%	2%	Accumulating	\$500	\$100
D INC	GBP	1.20%	2%	Distribution	\$500	\$100
A ACC	EUR	1.00%	N/A	Accumulating	\$500	\$100
A INC	EUR	1.00%	N/A	Distribution	\$500	\$100
T ACC	EUR	1.50%	N/A	Accumulating	\$500	\$100
T INC	EUR	1.50%	N/A	Distribution	\$500	\$100
G ACC	EUR	0.50%	N/A	Accumulating	\$500	\$100
G INC	EUR	0.50%	N/A	Distribution	\$500	\$100
D ACC	EUR	1.20%	2%	Accumulating	\$500	\$100
D INC	EUR	1.20%	2%	Distribution	\$500	\$100

\* This figure represents the maximum charge that might be applied and may be reduced at the discretion of Directors from time to time.

\*\*or currency equivalent thereof.

**Placement Fee:** In respect of the A ACC and INC, G ACC and INC, T ACC and INC shares, a Placement Fee of up to 3% may be charged by the Fund. Such Placement Fee will be payable by the Fund to the Global Distributor for its absolute use and benefit in full following confirmation of the relevant subscription. Such Placement Fee will be paid within 15 Business Days of receipt of such confirmation.

**Deferred Sales Fee:** In respect of the CLASS D ACC Shares and the CLASS D INC Shares, there is no Placement Fee and investors will receive an allotment of Shares equivalent to 100% of their subscription amount.



However, a deferred sales fee (a "Deferred Sales Fee"), equal to 2.0% of the aggregate subscription proceeds in relation to any subscription for Class D ACC Shares or Class D INC Shares will be payable by the Fund to the Global Distributor in full following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

Each Deferred Sales Fee will be amortised by the Fund on each Valuation Day for the first two years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be compensated to the fund by the redeeming investor.

Upon redemption, the corresponding portion of the Deferred Sales Fees will be retained solely for the benefit of remaining Shareholders of the Sub-Fund. These fees may not be waived but, in order to pass this fee back to the Sub-Fund, Directors may accept a range of operational procedures between the Administrator and custody banks and regulated investment platforms where they are of the opinion that remaining investors will not be disadvantaged.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **SCHEDULE D: GLOBAL SUKUK FUND**

**Shari'a Compliance:** Yes.

**Reference Currency:** US Dollars

### **Investment Objective:**

The Sub-Fund is an actively managed Shari'a compliant sub-fund that will invest in a diversified portfolio of unsecured asset-based Sukuks both in the MENA region and globally. Sukuks will mainly qualify as Sukuk Al Ijara, Sukuk Al Wakala, Sukuk Al Mudaraba and Sukuk Al Murabaha and may be backed by a range of assets for example: real estate, land, asset books (i.e. loan portfolios), aircraft. Investors can obtain further information on these different types of investable Sukuk from the Definitions. Islamic Cash Instruments are issued by Islamic financial institutions while sukuk are generally issued by a range of corporates (often, but not exclusively from, financial services and real estate sectors) as well as government and quasi-government or government related entities in the Middle East, Asia and other regions. Sukuk issuance tends to be denominated by emerging market issuers which can typically present higher investment risk than developed markets.

The primary investment objective of the Sub-Fund is to achieve regular income as well as capital growth. Certain share classes of the Sub-Fund will make income distributions on a semi-annual basis, predominantly derived from income generated by the underlying Sukuk or maturity proceeds of Sukuk. The Sub-Fund will achieve diversification by investing in a basket of eligible asset-based Sukuk with various maturities, from a variety of issuers. The Sukuks' exposure to their respective underlying will be one to one, without any leverage

**Benchmark:** None.

### **Islamic Sukuk Market:**

Sukuk are Islamic financial certificates which were extensively used by Muslims in the middle ages as papers representing financial obligations originating from trade and other commercial activities. However, the present structure of Sukuk is different from that originally used and is akin to the conventional concept of debt securitization, a process in which ownership of the underlying assets is transferred to a large number of investors through certificates of ownership representing the investor's proportionate share value of the relevant asset.

Developments in the Sukuk sector have resulted in more sophisticated and specialised structures. Sukuks have been structured using different underlying contracts, the most popular of which has been an ijara contract. Ijara based Sukuks involve a process in which ownership of the underlying assets is transferred to a large number of investors through certificates of ownership representing the investor's proportionate share value of the relevant asset.

Sukuk returns must be linked to the returns and cash flows generated by the asset purchased which is usually held in trust or through a special purpose vehicle. This deviates from conventional bonds in which the returns generated are generally solely interest based as the payment and receipt of interest is prohibited under Shari'a law. As such, financing must only be raised for identifiable assets.

**Investment Restrictions:**

The Sub-Fund will, subject to the general investment restrictions in Section 10:

- Only invest in Sukuk approved by the Shari'a Board.
- Only hold cash (if any) or borrow cash in a non interest-bearing account or with an Islamic Finance Institution.
- Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, unless the same has been re-structured in a Shari'a compliant manner acceptable to the Shari'a Board.
- Oblige its service providers to carry out all activities specifically related to the management of the Sub-Fund in a Shari'a compliant manner.
- Can fully invest the assets of the Sub-Fund in Transferable Securities including asset-based Sukuk. Under normal circumstances, cash equivalent investments or liquid instruments, such as Wakala and Murabaha instruments, may also be held when the Investment Manager regards it as necessary for the efficient management of the Sub-Fund, or where the profit rate is higher from these deposits than capital otherwise employed in the Sukuk market. Investors should be aware that, notwithstanding the investment restrictions stated herein, the Sub-Fund may concentrate its assets in a limited number of Sukuk (along with Murabaha and Wakala instruments).
- Manage Sukuk portfolio in a manner that no single Sukuk shall represent more than 10% of the value of the Sub-Fund.
- Invest in Shari'a compliant collective investment schemes up to a limit of 40% of the value of the Sub-Fund.

In addition to the restrictions above and subject to the overall investment restrictions, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

The Sub-Fund may, during its period of existence, invest in other Shari'a compliant collective investment schemes where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interests may exist for the Investment Manager or any related party.

**Shari'a Advisor**

Dar Al Sharia, the appointed Shari'a Advisor of the Investment Manager and a recognized Shari'a advisory service with extensive experience in Islamic Shari'a, will coordinate with the Shari'a Board, advice and guide the Sub-Fund in respect of the investment of the Sub-Fund's assets, subject always to the overall supervision of the Directors.

The role of the Shari'a Advisor will encompass all phases of the structuring and operation of the Sub Fund. The Shari'a Advisor will not have responsibility for the management of the Sub-Fund.

The Shari'a Board will advise the Board of Directors as to the necessary investment policy and guidelines which will ensure that the Sub-Fund's investments are compliant with the investment principles of Shari'a. Upon acceptance

of these guidelines, the Shari'a Advisor will coordinate with the Shari'a Board to issue a decree (a "Fatwa") certifying that the Sub-Fund is compliant to Shar'ia principles on the basis of its investment policy and guidelines.

Furthermore, the Shari'a Advisor will perform a semi-annual review of the portfolio and transactions of the Sub-Fund to determine if, and certify that, the Sub-Fund has been compliant with Shari'a principles and present their findings to the Shari'a Board for their approval.

The Shari'a Advisor has reviewed this Prospectus and will review the various primary implementing agreements, documents and instruments and advice on compliance with the principles of Shari'a and present them to the Shari'a Board for their approval.

The Shari'a Advisor shall ensure the satisfactory and efficient working of the relationship between the Sub-Fund and the Shari'a Board. It shall also ensure that all Shari'a requirements and obligations on and of the Sub-Fund are met from a Shari'a compliant perspective.

The Board of Directors may decide to change the Shari'a Advisor, in which case this Sub-Fund Particulars will be amended accordingly.

**Shari'a Guidelines:** The Sub-Fund will only use Shari'a compliant contracts and agreements and make investments in line with the restrictions mentioned above. Should the Sub-Fund earn from time to time any Non Shari'a Compliant Return, such return will be segregated from the assets of the Sub-Fund and will be paid to charitable causes under the guidance, instructions and supervision of the Shari'a Board.

All Shari'a determinations on matters of Shari'a compliance will be for the Shari'a Board to determine. Investors should be aware that there is a level of subjectivity in these determinations and opinions may vary among Shari'a scholars. Nevertheless, the Shari'a Board shall provide its guidance in accordance with the Shari'a principles which are described below.

The Sub-Fund will at all times comply with Shari'a investment principles. Compliance with Shari'a investment principles is achieved by excluding securities which either fail to meet two different sets of criteria under the broad categorisations of business activity and financial ratios.

- (a) Commodities underpinning Murabaha, Ijara and other Islamic financial instruments must be permitted under Shari'a for trading purposes and will not include trading in debt, gold, silver and currencies.
- (b) Shari'a investment methodology forbid investing in companies which are directly active in, or derive more than 5% of their revenue (cumulatively) from the following activities prohibited (Haram) activities:
  - i. alcohol: distillers, vintners and producers of alcoholic beverages, including producers of beer and malt liquors, owners and operators of bars and pubs;
  - ii. pork related products: companies involved in the manufacture and retail of pork products;
  - iii. tobacco: cigarettes and other tobacco products manufacturers and retailers;
  - iv. Conventional Financial Services: commercial banks involved in retail banking, corporate lending, investment banking; companies involved in mortgage and mortgage related services; providers of financial services, including insurance, capital markets and specialized finance; credit agencies; stock exchanges; specialty boutiques; consumer finance services, including personal credit, credit cards,

- lease financing, travel-related money services and pawn shops; financial institutions primarily engaged in investment management, related custody and securities fee-based services; companies operating mutual funds, closed-end funds and unit investment trusts; financial institutions primarily engaged in investment banking and brokerage services, including equity and debt underwriting, mergers and acquisitions; securities lending and advisory services institutions; and insurance and reinsurance brokerage firms, including companies providing property, casualty, life disability, indemnity or supplemental health insurance;
- v. defence / weapons: manufacturers of military aerospace and defence equipment, parts or products, including defence electronics and space equipment;
  - vi. gambling / casino: owners and operators of casinos and gaming facilities, including companies providing lottery and betting services;
  - vii. music: producers and distributors of music, owners and operators of radio broadcasting systems;
  - viii. hotels: owners and operators of hotels;
  - ix. cinema: companies engaged in the production, distribution and screening of movies and television shows, owners and operators of television broadcasting systems and providers of cable or satellite television services;
  - x. adult entertainment: owners and operators of adult entertainment products and activities.
- (c) Shari'a investment principles do not allow investment in companies deriving significant income from interest or companies that have excessive leverage. The following three financial ratios to screen for such companies:
- i. total debt over total assets;
  - ii. sum of a company's cash and interest-bearing securities over total assets;
  - iii. sum of a company's accounts receivables and cash over total assets.

None of the financial ratios may exceed 30.0%. Securities will be considered non-compliant with respect to financial screening if any of the financial ratios exceeds 30.0%.

The Investment Manager will ensure compliance with Shari'a investment principles by restricting the investment universe to securities which have been approved by the Shari'a Board.

**Non Shari'a Compliant Return** means any return passed on to the Sub-Fund as a result of any financial transaction, instrument or corporate action held as inconsistent with the precepts of Shari'a, including but not limited to interest amounts paid in respect to cash deposits or other liquid assets, or any other return that may be from time to time declared inconsistent with the precepts of Shari'a by the Shari'a Board, will be given to charity.

The Shari'a Board will periodically review all assets within the Sub-Fund with regards to ongoing Shari'a compliance and advise the Manager and the Fund accordingly.

**Specific Risk Factors:** When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.11, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, 6.33, 6.38 and 6.39.

Where the Sub-Fund invests in other funds which are managed, directly or by delegation by the Investment Manager, the Sub-Fund shall not be charged any subscription or redemption fees on such investments.

No underlying fund will be purchased with an annual management fee greater than 2%.

In addition to the risks in the “Risk Factors”, it should be noted that differences exist among Islamic scholars as to the nature of Shari’a compliance of any product, accordingly no assurance can be given that Islamic scholars, other than those who are members of the Shari’a Board, would determine that the Sub-Fund and its underlying investments are Shari’a compliant. In case of any doubt, investors should consult their own Shari’a advisors and scholars to determine the Shari’a compliance of the Sub-Fund before investing in the Sub-Fund.

**Sustainability Risks Likely Impact on Fund’s Return:** It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking Shari’a compliant fixed income diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class holders at monthly intervals. For the avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2 and 7.4.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

Global Sukuk Fund						
Class	Currency	Management fee (p.a.)	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up
A ACC	USD	1.35%	N/A	Accumulating	\$10,000	\$500
A INC	USD	1.35%	N/A	Distribution	\$10,000	\$500
B ACC	USD	1.35%	3%	Accumulating	\$10,000	\$500
B INC	USD	1.35%	3%	Distribution	\$10,000	\$500

C ACC	USD	1.35%	4%	Accumulating	\$10,000	\$500
C INC	USD	1.35%	4%	Distribution	\$10,000	\$500
I ACC	USD	1.00%	N/A	Accumulating	US\$1,000,000	\$50,000
I INC	USD	1.00%	N/A	Distribution	US\$1,000,000	\$50,000

**Placement Fee:** In respect of the A ACC and INC shares, a Placement Fee of up to 3% may be charged by the Fund. A Placement Fee of up to 1% may be charged in respect of the I ACC and INC shares. Such Placement Fee will be payable by the Fund to the Global Distributor for its absolute use and benefit in full following confirmation of the relevant subscription. Such Placement Fee will be paid within 15 Business Days of receipt of such confirmation.

**Deferred Sales Fee:** In respect of the CLASS B ACC Shares and the CLASS B INC Shares, there is no Placement Fee and investors will receive an allotment of Shares equivalent to 100% of their subscription amount.

However, a deferred sales fee (a "Deferred Sales Fee"), equal to 3.0% of the aggregate subscription proceeds in relation to any subscription for Class B ACC Shares or Class B INC Shares will be payable by the Fund to the Global Distributor following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

The Deferred Sales Fee in respect of the Class B ACC Shares and B INC Shares will be amortised by the Fund on each Valuation Day for the first three years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be compensated to the fund by the redeeming investor. A deferred sales fee (a "Deferred Sales Fee"), equal to 4.0% of the aggregate subscription proceeds in relation to any subscription for Class C ACC Shares or Class C INC Shares will be payable by the Fund to the Global Distributor following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

The Deferred Sales Fee in respect of the Class C ACC Shares and C INC Shares will be amortised by the Fund on each Valuation Day for the first four years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be written off to the profit and loss account.

Upon redemption, the corresponding portion of the Deferred Sales Fees will be retained solely for the benefit of remaining Shareholders of the Sub-Fund. These fees may not be waived but, in order to pass this fee back to the Sub-Fund, Directors may accept a range of operational procedures between the Administrator and custody banks and regulated investment platforms where they are of the opinion that remaining investors will not be disadvantaged.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy)

into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.



## **Schedule E: HCM MULTI-ASSET MODERATE FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD

### **Investment Objective:**

The Sub-Fund is an actively managed fund of funds that aims to deliver a total return (consisting of reinvestment of income and capital appreciation) through investing in funds which invest in a diversified range of assets in proportion with its long term risk profile, which is characterised as medium. This means that the Sub-Fund will indirectly take a more balanced approach to equity markets, with such exposure to equity or equity-linked securities typically ranging between 40% and 75% of its assets with a neutral position of 60%. The remainder of Sub-Fund assets will be invested in funds which invest in other asset classes such as fixed income, alternatives (which may include property-related funds and absolute return strategies) and cash. There is no guarantee that the Sub-Fund will meet its investment objective or deliver a positive return and capital is at risk.

### **Investment Policy:**

The Sub Fund will invest in funds which will invest globally across a variety of asset classes that may include equities, fixed interest, alternatives and cash. Alternatives may include property related funds, commodities and absolute return strategies. Exposure to these assets may be achieved through the use of close-ended REITS and other exchange traded securities such as exchange traded funds, exchange traded notes or exchange traded commodities. The purpose of the asset class is to improve portfolio diversification by providing alternative sources of return from traditional asset classes such as equities and fixed income. At all times assets are restricted to those that are considered eligible under relevant regulations.

The Investment Advisor is responsible for advising the Investment Manager with regards to the strategic asset allocation, tactical asset allocation and fund selection which it believes will meet the Investment Objective of the Sub-Fund.

As part of this process, the Investment Advisor uses appropriate risk modelling tools in order to determine the strategic asset allocation most appropriate for the investment objective of the Sub-Fund. The tactical asset allocation, based around the strategic levels, is subject to formal monthly review by the investment committee of the Investment Advisor. The Investment Advisor also conducts in depth fund research to guide the fund selection process, which includes both qualitative and quantitative assessment methods.

The Sub-Fund invests across equities, fixed income and money market investments and other liquid assets other than cash as well as REITs and absolute return funds with a bias towards developed markets on both equity and fixed income sectors. However, this does not preclude emerging markets which may be included as the Investment Manager and Investment Advisor deem fit from time to time, in so far as it is consistent with the Sub-Funds investment objectives. This said, it should be noted that these Sub-Funds are not intended to be run on a benchmark basis and hence may invest globally after a review of value by the Investment Manager and Investment Advisor.

The Sub-Fund may gain exposure to the asset classes detailed above primarily through open ended collective investment schemes. The Sub-Fund will not directly invest in property or commodities or any instrument that

requires physical delivery of a commodity. The Sub-Fund may also invest in exchange traded securities which are listed or traded on Recognised Markets. These may include, but are not limited to, exchange traded funds, exchange traded notes or exchange traded commodities. Only 1:1 certificates will be permissible for exchange traded commodities.

The Sub-Fund may also invest in close-ended Real Estate Investment Trusts (or "REITs") subject to them being listed on a Recognised Market and where, in the opinion of the Investment Manager on advice from the Investment Advisor, adequate liquidity is available to meet redemptions.

**Investment Advisor:**

Halwyn Capital Ltd is authorised and regulated by the Financial Conduct Authority and has been appointed by the Investment Manager to provide investment advice. The Investment Advisor's investment committee will oversee and monitor all advisory services provided to the Investment Manager and will ensure that such advice meets the requirements of the Investment Objective and is conducted in line with the Investment Policy of the Sub-Fund.

**Investment Restrictions:**

The Sub-Fund will (subject to the general investment restrictions in Section 10):

1. Primarily be run on a fund-of-funds basis (including exchange traded securities) provided that these operate on the principle of risk-spreading and are eligible as further described in Section 10 of this Prospectus;
2. Invest in line with the asset allocation guidelines noted in the table below:

	Minimum	<b>NEUTRAL</b>	Maximum
Equity	40	<b>60</b>	75
Fixed Income	15	<b>30</b>	45
Alternatives	0	<b>5</b>	20
Cash	0	<b>5</b>	20

3. Not invest more than 20% of the assets of the Sub-Fund at the time of acquisition into a single underlying fund;
4. Not have more than 25% ownership of a single underlying fund.
5. Not acquire an asset whose purchase involves an unlimited liability;
6. Not have more than 10% of the assets of the Sub-Fund at the time of acquisition into a single REIT.
7. Not have more than 15% of the assets of the Sub-Fund collectively in REITs.
8. Permit hedging to protect the assets of the Sub-Fund provided that this does not create net negative exposure (hedge not to exceed the value of the assets being hedged) measured at the time that the trade is placed;
9. Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, other than for effective portfolio management purposes; and
10. No underlying fund will be purchased with an annual management charge in excess of 2%.

The limits stated herein will not apply for the first three months after the inception of the Sub-Fund to allow time for the Investment Manager to allocate capital efficiently (the "Ramp Up Period"). Restrictions will apply after the

Ramp-Up Period save for limits that are breached solely due to market movements or inflows and outflows of capital from the Sub-Fund (each a "Passive Reason" and together the "Passive Reasons"). The Investment Manager must have due regard to the limits caused by the Passive Reasons, but is not obligated to take action as a result, with the exception of where it specifically concerns an investment restriction detailed in Section 10 of the Prospectus.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. However, investors should be aware that there is no guarantee that such cash may be retained.

Furthermore, the Sub-Fund may, during its period of existence, invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interest may exist for the Investment Manager or any related party.

**Sustainability Risks Likely Impact on Fund's Return:**

It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Specific Risk Factors:**

When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.8, 6.12, 6.14, 6.30, 6.33, 6.38 and 6.41.

**Specific Risk Factor applying to Fund of Funds:**

The performance and risks of a fund-of-funds directly corresponds to the performance and risks of the underlying funds in which the Sub-Fund invests. Shareholders indirectly bear their proportionate share of the expenses of other funds in which the Sub-Fund invests.

**Investor Profile:**

Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking predominantly equity diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation Frequency:**

Daily

**Distributions:**

The Sub-Fund will seek to distribute income to relevant Share Class holders at the end of each calendar quarter, being March, June, September and December.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:**

The Sub-Fund's risk exposure shall be calculated in accordance with the commitment methodology, as further defined above.

**Available Share Classes:**

Class	Currency	Management fee (p.a.)	Placement Fee	Class Type	Minimum initial investment**	Minimum top up**
A Acc	GBP*	0.65%	None	Accumulating	USD 500	USD 500
A Acc	USD	0.65%	None	Accumulating	USD 500	USD 500
A Acc	EUR*	0.65%	None	Accumulating	USD 500	USD 500
A Acc	AUD*	0.65%	None	Accumulating	USD 500	USD 500
A Acc	SGD*	0.65%	None	Accumulating	USD 500	USD 500
A Inc	GBP*	0.65%	None	Distribution	USD 500	USD 500
A Inc	USD	0.65%	None	Distribution	USD 500	USD 500
A Inc	EUR*	0.65%	None	Distribution	USD 500	USD 500
A Inc	AUD*	0.65%	None	Distribution	USD 500	USD 500
A Inc	SGD*	0.65%	None	Distribution	USD 500	USD 500
B Acc	GBP*	0.90%	None	Accumulating	USD 500	USD 500
B Acc	USD	0.90%	None	Accumulating	USD 500	USD 500
B Acc	EUR*	0.90%	None	Accumulating	USD 500	USD 500
B Acc	AUD*	0.90%	None	Accumulating	USD 500	USD 500
B Acc	SGD*	0.90%	None	Accumulating	USD 500	USD 500
B Inc	GBP*	0.90%	None	Distribution	USD 500	USD 500
B Inc	USD	0.90%	None	Distribution	USD 500	USD 500
B Inc	EUR*	0.90%	None	Distribution	USD 500	USD 500
B Inc	AUD*	0.90%	None	Distribution	USD 500	USD 500
B Inc	SGD*	0.90%	None	Distribution	USD 500	USD 500
C Acc	GBP*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	USD	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	EUR*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	AUD*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	SGD*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Inc	GBP*	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	USD	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	EUR*	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	AUD*	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	SGD*	1.20%	Up to 5%	Distribution	USD 500	USD 500
I Acc	GBP*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Acc	USD	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000

I Acc	EUR*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Acc	AUD*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Acc	SGD*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Inc	GBP*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	USD	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	EUR*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	AUD*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	SGD*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000

\*Non USD Classes will be hedged back to the Sub-Fund reference currency of USD.

\*\*or currency equivalent thereof.

**Placement Fee:**

In respect of C share class, the Global Distributor may charge an initial charge of up to 5%. Such initial charge will be payable directly to the Global Distributor from the subscription proceeds for its absolute use and benefit in full following confirmation of the relevant subscription. Such initial charge will be paid within 15 Business Days of receipt of such confirmation.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Schedule F: HCM MULTI-ASSET ADVENTUROUS FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD

### **Investment Objective:**

The Sub-Fund is an actively managed fund of funds that aims to deliver a total return (consisting of reinvestment of income and capital appreciation) through investing in funds which invest in a diversified range of assets in proportion with its long term risk profile, which is characterised as medium-high. This means that the Sub-Fund will indirectly take a more growth orientated exposure to equity markets, with such exposure to equity or equity-linked securities typically ranging between 60% and 100% of its assets, with a neutral position of 76.5%. The remainder of Sub-Fund assets will be invested in funds which invest in other asset classes such as fixed income, alternatives (which may include property-related funds and absolute return strategies) and cash. There is no guarantee that the Sub-Fund will meet its investment objective or deliver a positive return and capital is at risk.

### **Investment Policy:**

The Sub Fund will invest in funds which will invest globally across a variety of asset classes that may include equities, fixed interest, alternatives and cash. Alternatives may include property related funds, commodities and absolute return strategies. Exposure to these assets may be achieved through the use of close-ended REITS and other exchange traded securities such as exchange traded funds, exchange traded notes or exchange traded commodities. The purpose of the asset class is to improve portfolio diversification by providing alternative sources of return from traditional asset classes such as equities and fixed income. At all times assets are restricted to those that are considered eligible under relevant regulations.

The Investment Advisor is responsible for advising the Investment Manager with regards to the strategic asset allocation, tactical asset allocation and fund selection which it believes will meet the Investment Objective of the Sub-Fund.

As part of this process, the Investment Advisor uses appropriate risk modelling tools in order to determine the strategic asset allocation most appropriate for the investment objective of the Sub-Fund. The tactical asset allocation, based around the strategic levels, is subject to formal monthly review by the investment committee of the Investment Advisor. The Investment Advisor also conducts in depth fund research to guide the fund selection process, which includes both qualitative and quantitative assessment methods.

The Sub-Fund invests across equities, fixed income and money market instruments and other liquid assets other than cash as well as REITS and absolute return funds with a bias towards developed markets on both equity and fixed income sectors. However, this does not preclude emerging markets which may be included as the Investment Manager and Investment Advisor deem fit from time to time, in so far as it is consistent with the Sub-Funds investment objectives. This said, it should be noted that these Sub-Funds are not intended to be run on a benchmark basis and hence may invest globally after a review of value by the Investment Manager and Investment Advisor.

The Sub-Fund may gain exposure to the asset classes detailed above primarily through open ended collective investment schemes. The Sub-Fund will not directly invest in property or commodities or any instrument that

requires physical delivery of a commodity. The Sub-Fund may also invest in exchange traded securities which are listed or traded on Recognised Markets. These may include, but are not limited to, exchange traded funds, exchange traded notes or exchange traded commodities. Only 1:1 certificates will be permissible for exchange traded commodities.

The Sub-Fund may also invest in close-ended Real Estate Investment Trusts (or “REITs”) subject to them being listed on a Recognised Market and where, in the opinion of the Investment Manager on advice from the Investment Advisor, adequate liquidity is available to meet redemptions.

**Investment Advisor:**

Halwyn Capital Limited is authorised and regulated by the Financial Conduct Authority and has been appointed by the Investment Manager to provide investment advice. The Investment Advisor’s investment committee will oversee and monitor all advisory services provided to the Investment Manager and will ensure that such advice meets the requirements of the Investment Objective and is conducted in line with the Investment Policy of the Sub-Fund.

**Investment Restrictions:**

The Sub-Fund will (subject to the general investment restrictions in Section 10):

1. Primarily be run on a fund-of-funds basis (including exchange traded securities) provided that these operate on the principle of risk-spreading and are eligible as further described in Section 10 of this Prospectus;
2. Invest in line with the asset allocation guidelines noted in the table below;

	Minimum	<b>NEUTRAL</b>	Maximum
Equity	60	<b>76.5</b>	100
Fixed Income	0	<b>13.5</b>	30
Alternatives	0	<b>5</b>	20
Cash	0	<b>5</b>	20

3. Not invest more than 20% of the assets of the Sub-Fund at the time of acquisition into a single underlying fund;
4. Not have more than 25% ownership of a single underlying fund.
5. Not acquire an asset whose purchase involves an unlimited liability;
6. Not have more than 10% of the assets of the Sub-Fund at the time of acquisition into a single REIT.
7. Not have more than 15% of the assets of the Sub-Fund collectively in REITs.
8. Permit hedging to protect the assets of the Sub-Fund provided that this does not create net negative exposure (hedge not to exceed the value of the assets being hedged) measured at the time that the trade is placed;
9. Not invest or transact in any derivatives, including but not limited to options, futures, forwards and swaps, other than for effective portfolio management purposes; and
10. No underlying fund will be purchased with an annual management charge in excess of 2%.

The limits stated herein will not apply for the first three months after the inception of the Sub-Fund to allow time for the Investment Manager to allocate capital efficiently (the "Ramp Up Period"). Restrictions will apply after the Ramp-Up Period save for limits that are breached solely due to market movements or inflows and outflows of capital

from the Sub-Fund (each a "Passive Reason" and together the "Passive Reasons"). The Investment Manager must have due regard to the limits caused by the Passive Reasons, but is not obligated to take action as a result, with the exception of where it specifically concerns an investment restriction detailed in Section 10 of the Prospectus.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. However, investors should be aware that there is no guarantee that such cash may be retained.

Furthermore, the Sub-Fund may, during its period of existence, invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interest may exist for the Investment Manager or any related party.

**Sustainability Risks Likely Impact on Fund's Return:**

It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Specific Risk Factors:**

When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.8, 6.12, 6.14, 6.30, 6.33,6.38 and 6.41.

**Specific Risk Factor applying to Fund of Funds:**

The performance and risks of a fund-of-funds directly corresponds to the performance and risks of the underlying funds in which the Sub-Fund invests. Shareholders indirectly bear their proportionate share of the expenses of other funds in which the Sub-Fund invests.

**Investor Profile:**

Investors with a medium to long term time horizon (three to five years), medium-high risk profile, seeking predominantly equity diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation Frequency:** Daily

**Distributions:**

The Sub-Fund will seek to distribute income to relevant Share Class holders at the end of each calendar quarter, being March, June, September and December.

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.



**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:**

The Sub-Fund's risk exposure shall be calculated in accordance with the commitment methodology, as further defined above.

**Available Share Classes:**

Class	Currency	Management fee (p.a.)	Placement Fee	Class Type	Minimum initial investment**	Minimum top up**
A Acc	GBP*	0.65%	None	Accumulating	USD 500	USD 500
A Acc	USD	0.65%	None	Accumulating	USD 500	USD 500
A Acc	EUR*	0.65%	None	Accumulating	USD 500	USD 500
A Acc	AUD*	0.65%	None	Accumulating	USD 500	USD 500
A Acc	SGD*	0.65%	None	Accumulating	USD 500	USD 500
A Inc	GBP*	0.65%	None	Distribution	USD 500	USD 500
A Inc	USD	0.65%	None	Distribution	USD 500	USD 500
A Inc	EUR*	0.65%	None	Distribution	USD 500	USD 500
A Inc	AUD*	0.65%	None	Distribution	USD 500	USD 500
A Inc	SGD*	0.65%	None	Distribution	USD 500	USD 500
B Acc	GBP*	0.90%	None	Accumulating	USD 500	USD 500
B Acc	USD	0.90%	None	Accumulating	USD 500	USD 500
B Acc	EUR*	0.90%	None	Accumulating	USD 500	USD 500
B Acc	AUD*	0.90%	None	Accumulating	USD 500	USD 500
B Acc	SGD*	0.90%	None	Accumulating	USD 500	USD 500
B Inc	GBP*	0.90%	None	Distribution	USD 500	USD 500
B Inc	USD	0.90%	None	Distribution	USD 500	USD 500
B Inc	EUR*	0.90%	None	Distribution	USD 500	USD 500
B Inc	AUD*	0.90%	None	Distribution	USD 500	USD 500
B Inc	SGD*	0.90%	None	Distribution	USD 500	USD 500
C Acc	GBP*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	USD	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	EUR*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	AUD*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Acc	SGD*	1.20%	Up to 5%	Accumulating	USD 500	USD 500
C Inc	GBP*	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	USD	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	EUR*	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	AUD*	1.20%	Up to 5%	Distribution	USD 500	USD 500
C Inc	SGD*	1.20%	Up to 5%	Distribution	USD 500	USD 500
I Acc	GBP*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Acc	USD	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000

I Acc	EUR*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Acc	AUD*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Acc	SGD*	0.40%	None	Accumulating	USD 2,000,000	USD 2,000,000
I Inc	GBP*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	USD	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	EUR*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	AUD*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000
I Inc	SGD*	0.40%	None	Distribution	USD 2,000,000	USD 2,000,000

\*Non USD Classes will be hedged back to the Sub-Fund reference currency of USD.

\*\*or currency equivalent thereof.

**Placement Fee:**

In respect of C share class, the Global Distributor may charge an initial charge of up to 5%. Such initial charge will be payable directly to the Global Distributor from the subscription proceeds for its absolute use and benefit in full following confirmation of the relevant subscription. Such initial charge will be paid within 15 Business Days of receipt of such confirmation.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Schedule G: GLOBAL DISCOVERY FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD

### **Investment Objective:**

The Sub-Fund is a globally diversified multi-asset fund that aims to deliver a total return, predominantly on a fund of funds basis, through investing in mutual funds, ETFs and on an ancillary basis, directly into individual equities, and bonds, subject to the limits stated herein.

The mutual funds and ETFs will invest in a diversified range of assets, predominantly equities, in proportion with the Sub-Fund's long-term risk profile, which is characterised as medium-high. Exposure to equity or equity-linked funds (and securities from time to time) will range between 80% and 100% of the Sub-Fund's assets, with a neutral position of 90%. Please note that this is not a fixed range and the Sub-Fund exposure may be outside of the range from time to time. The Sub-Fund may have 100% of its assets invested in equity funds for extended periods of time. The remainder of the Sub-Fund assets will be invested in fixed income or cash (or near-cash) asset classes, either directly or via other funds.

The Sub-Fund will have a focus on developed market equities but will have the ability to access emerging markets when deemed appropriate. The Sub-Fund will not invest directly in China and will only access this market through collective investment schemes. There is no guarantee that the Sub-Fund will meet its investment objective or deliver a positive return and capital is at risk.

### **Investment Policy:**

The Sub Fund will invest in underlying funds or securities across a variety of asset classes that may include equities, fixed interest, eligible funds relating to commodity sectors or ETFs and money market funds and other liquid assets other than cash. Exposure to commodities may furthermore be achieved indirectly through the use of exchange traded securities (excluding funds) not embedding any derivatives. The purpose of the addition of this asset class is to improve portfolio diversification by providing alternative sources of return away from traditional asset classes such as equities and fixed income. At all times, assets are restricted to those that are considered eligible.

The Investment Advisor is responsible for advising the Investment Manager with regards to the strategic asset allocation, tactical asset allocation and fund selection which it believes will meet the Investment Objective of the Sub-Fund.

As part of this process, the Investment Advisor will seek to recommend the strategic asset allocation most appropriate for the investment objective of the Sub-Fund. The tactical asset allocation, based around the strategic levels, is subject to formal monthly review by the investment committee of the Investment Advisor. The Investment Advisor also conducts in depth fund research to guide the Investment Manager's fund selection process, which includes both qualitative and quantitative assessment methods.

The Sub-Fund may have exposure, both directly and indirectly towards across equities, fixed income, and cash, as well as indirect exposure to commodities, with a bias towards developed markets on both equity and fixed income

sectors. However, this does not preclude emerging markets which may be included as the Investment Manager deems fit from time to time, in so far as it is consistent with the Sub-Fund's investment objectives.

The Sub-Fund may invest directly in individual stocks or fixed income as the Investment Advisor may advise from time to time, with a maximum exposure of 20% as outlined below. It may use instruments, such as currency futures or inverse ETFs, to protect the value of investments held in the Sub-Fund provided that these do not create net negative exposure.

**Investment Advisor:**

Nexus Financial Advisers LLC (NFA) is a financial advisory firm, regulated in the UAE by the Securities and Commodities Authority (SCA) offering a suite of products to both corporate and individual clients from a range of international and domestic product providers. NFA is part of the Nexus Group of companies which has over thirty years' experience in the GCC region. The group is the largest financial advisory business in the GCC (Gulf Cooperation Council) region, offering a composite suite of insurance, savings and investment products out of UAE, Bahrain, Qatar and Kuwait.

**Investment Restrictions:**

The Sub-Fund will (subject to the general investment restrictions in Section 10):

1. Primarily be run on a fund-of-funds basis (including exchange traded funds) provided that these operate on the principle of risk-spreading and are eligible as further described in Section 10 of this Prospectus;
2. No underlying fund will be purchased with an annual Management Fee greater than [2]%;
3. Underlying funds may use derivatives for hedging purposes or for investments on an ancillary basis but not as their main investment objective.
4. Invest up-to 100% of the assets of the Sub-Fund in equity mutual funds and ETFs, with a neutral exposure of 90%;
5. Invest up-to 20% of the assets of the Sub-Fund in Fixed Income Funds;
6. Not invest more than 10% of the assets of the Sub-Fund into a single underlying holding;
7. Not have more than 20% of the assets of the Sub-Fund in aggregate invested in individual stocks and individual fixed income issues; and
8. Not have more than 20% of the assets of the Sub-Fund invested in direct cash and money market funds in aggregate.

The limits stated herein will not apply for the first three months after the inception of the Sub-Fund to allow time for the Investment Manager to allocate capital efficiently (the "Ramp Up Period"). Restrictions will apply after the Ramp-Up Period save for limits that are breached solely due to market movements or inflows and outflows of capital from the Sub-Fund (each a "Passive Reason" and together the "Passive Reasons"). The Investment Manager must have due regard to the limits caused by the Passive Reasons, but is not obligated to take action as a result, with the exception of where it specifically concerns an investment restriction detailed in Section 10 of the Prospectus.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. However, investors should be aware that there is no guarantee that such cash may be retained.

Furthermore, the Sub-Fund may, during its period of existence, invest in other investment vehicles where the Investment Manager has a material interest. Any investments into these underlying funds shall incur no additional placement fee at the underlying fund level and all investments into these funds will be done at commercial rates. Investors should note, however, that, should this occur, a potential conflict of interest may exist for the Investment Manager or any related party.

**Sustainability Risks Likely Impact on Fund's Return:**

It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Specific Risk Factors:**

When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 "Risk Factors". Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.8, 6.12, 6.14, 6.30, 6.33, 6.38 and 6.41.

**Specific Risk Factor applying to Fund of Funds:**

The performance and risks of a fund-of-funds directly corresponds to the performance and risks of the underlying funds in which the Sub-Fund invests. Shareholders indirectly bear their proportionate share of the expenses of other funds in which the Sub-Fund invests.

**Investor Profile:**

Investors with a medium to long term time horizon (three to five years), medium-high risk profile, seeking predominantly equity diversification, with an aim to achieve long term capital growth and also seeking to control downside during episodes of equity volatility.

**Valuation Frequency:** Daily

**Trading cut offs:** As stated in section 7.2, 7.4 and 7.5.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:**

The Sub-Fund's risk exposure shall be calculated in accordance with the commitment methodology, as further defined above.

**Available Share Classes:**

Class	Currency	Management fee (p.a.)	Class Type	Minimum initial investment	Minimum top up	Distribution Fee
I Acc	USD	0.75%	Accumulating	None	None	0.50%
A Acc	USD	1.00%	Accumulating	None	None	0.275%
B Acc	USD	1.20%	Accumulating	None	None	0.2%
C Acc	USD	1.60%	Accumulating	None	None	

The Distribution Fee shall be paid to the Global Distributor or any sub-distributor as directed and approved by the Fund from time to time.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **Schedule H: GLOBAL ALPHA FUND**

**Shari'a Compliance:** No.

**Reference Currency:** USD

### **Investment Objective:**

The Sub-Fund is an actively managed fund that invests in a diversified portfolio of fixed income securities and instruments to achieve a positive absolute return over rolling three-year periods. Certain share classes of the Sub-Fund will make income distributions on a quarterly basis, predominantly derived from income generated by the underlying fixed income securities. The Sub-Fund will achieve diversification by investing in a basket of eligible fixed income securities with various maturities, from a variety of issuers and will be able to take exposure to instruments to hedge interest rate and credit risk.

### **Investment Policy:**

The Sub-Fund will invest in global fixed income securities, both private and public issues, with a focus on global emerging markets with an anticipated exposure of between 50% and 80%, and a neutral weight of 65%. The Sub-Fund will have a neutral weight of 35%, and minimum and maximum exposure of 20% and 50% respectively to developed markets. The Sub-Fund will invest across all industry sectors with no focus on any one industry. To achieve the investment objective, the Sub-Fund will invest in issues with a rating of B or above. As such, it should be noted that that Sub-Fund is not expected to invest in stressed or distressed securities. The Sub-Fund will utilise exchange traded derivatives for hedging purposes.

**Benchmark:** None.

### **Investment Restrictions:**

The Sub-Fund will, subject to the general investment restrictions in Section 10:

- Not invest more than 10% Sub-Fund's total assets in any one security.
- Not invest more than 30% of the Sub-Fund's total assets in any one country
- Not invest in any single security with a credit rating below B.<sup>12</sup>
- Not invest more than 40% of the Sub-Fund's total assets in assets denominated in currencies other than USD.
- Hedging is permitted to protect the value of the Sub-Fund and for efficient portfolio management purposes, but the Sub-Fund may not take on net negative exposure; and
- Not hold assets with a weighted average effective duration of more than 15 years.

In addition to the restrictions above, the Investment Manager has determined that in order to meet redemption requests each Share Class may, where practicable, retain in cash or other readily liquid assets such amount as the Investment Manager may from time to time consider appropriate. Investors should be aware, however, that there is no guarantee that such cash may be retained.

**Specific Risk Factors:**

When investing in the Sub-Fund, investors should review the risk factors set out in Section 6 “Risk Factors”. Investors of the Sub-Fund should be specifically aware that the Sub-Fund is particularly exposed to the risk factors set out in Sections 6.2, 6.3, 6.4, 6.5, 6.7, 6.11, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20, 6.22, 6.23, 6.33, 6.38 and 6.39.

Where the Sub-Fund invests in other funds which are managed, directly or by delegation by the Investment Manager, the Sub-Fund shall not be charged any subscription or redemption fees on such investments.

No underlying fund will be purchased with an annual management fee greater than 2%, although it is anticipated that the Sub-Fund will invest predominantly in direct securities.

**Sustainability Risks Likely Impact on Fund’s Return:**

It is expected that the Fund will be exposed to a broad range of Sustainability Risks. However, as the Fund is broadly diversified, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Fund.

**Investor Profile:** Investors with a medium to long term time horizon (three to five years), medium risk profile, seeking fixed income diversification, with an aim to achieve long term capital growth and are seeking to receive income on a regular basis (if investing in income share classes).

**Valuation:** Daily.

**Distributions:** The Sub-Fund will seek to distribute income to relevant class holders at quarterly intervals. For the avoidance of doubt, income may also be paid from capital and/or general profits of the Sub-Fund where the Board of Directors deems it is practical to do so.

**Trading cut offs:** As stated in section 7.2 and 7.4.

**Cut-off time for subscription-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Cut-off time for redemption-orders** will be 12:00pm CET one day prior to the Valuation Day.

**Global Exposure:** The Sub-Fund’s risk exposure shall be calculated in accordance with the Commitment methodology, as further defined above.

Available Share Classes:

Class	Currency	Management fee (p.a.)	Placement Fee	Deferred Sales Fee	Class type	Minimum initial investment	Minimum top up
A ACC	USD	1.35%	Up to 3%	N/A	Accumulating	\$10,000	\$500
A INC	USD	1.35%	Up to 3%	N/A	Distribution	\$10,000	\$500



B ACC	USD	1.35%	None	3%	Accumulating	\$10,000	\$500
B INC	USD	1.35%	None	3%	Distribution	\$10,000	\$500
C ACC	USD	1.35%	None	4%	Accumulating	\$10,000	\$500
C INC	USD	1.35%	None	4%	Distribution	\$10,000	\$500
I ACC	USD	1.00%	Up to 1%	N/A	Accumulating	US\$1,000,000	\$50,000
I INC	USD	1.00%	Up to 1%	N/A	Distribution	US\$1,000,000	\$50,000

**Placement Fee:** In respect of the A ACC and INC shares, a Placement Fee of up to 3% may be charged by the Fund. A Placement Fee of up to 1% may be charged in respect of the I ACC and INC shares. Such Placement Fee will be payable by the Fund to the Global Distributor for its absolute use and benefit in full following confirmation of the relevant subscription. Such Placement Fee will be paid within 15 Business Days of receipt of such confirmation.

**Deferred Sales Fee:** In respect of the CLASS B ACC Shares and the CLASS B INC Shares, there is no Placement Fee and investors will receive an allotment of Shares equivalent to 100% of their subscription amount.

However, a deferred sales fee (a "Deferred Sales Fee"), equal to 3.0% of the aggregate subscription proceeds in relation to any subscription for Class B ACC Shares or Class B INC Shares will be payable by the Fund to the Global Distributor following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

The Deferred Sales Fee in respect of the Class B ACC Shares and B INC Shares will be amortised by the Fund on each Valuation Day for the first three years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be compensated to the fund by the redeeming investor. A deferred sales fee (a "Deferred Sales Fee"), equal to 4.0% of the aggregate subscription proceeds in relation to any subscription for Class C ACC Shares or Class C INC Shares will be payable by the Fund to the Global Distributor following confirmation of the relevant subscription. Such Deferred Sales Fee will be paid within 15 Business Days of receipt of such confirmation.

The Deferred Sales Fee in respect of the Class C ACC Shares and C INC Shares will be amortised by the Fund on each Valuation Day for the first four years from the date of subscription. The Deferred Sales Fee will therefore be reflected in the NAV of the abovementioned Share Classes. The Deferred Sales Fee shall apply to all initial subscriptions and any subsequent subscriptions. For the avoidance of doubt, on redemption, the corresponding portion of the Deferred Sales Fee that has not been amortised will be written off to the profit and loss account.

Upon redemption, the corresponding portion of the Deferred Sales Fees will be retained solely for the benefit of remaining Shareholders of the Sub-Fund. These fees may not be waived but, in order to pass this fee back to the Sub-Fund, Directors may accept a range of operational procedures between the Administrator and custody banks and regulated investment platforms where they are of the opinion that remaining investors will not be disadvantaged.

**EU Taxonomy disclosures:** Given the Sub-Funds' investment focus, the Investment Manager of the Sub-Fund does not integrate a consideration of environmentally sustainable economic activities (as prescribed in the EU Taxonomy) into the investment process for the Sub-Fund. Therefore, for the purpose of the EU Taxonomy, it should be noted that the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.