nikko am
Nikko Asset Management

YOUR GOALS,
OUR COMMITMENT.

PROSPECTUS
Nikko AM Dynamic Bond Fund

Dated 19 March 2024
(Replacement Prospectus dated 27 November 2024)

This Prospectus dated 27 November 2024 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act 2001 and replaces the prospectus registered by the Monetary Authority of Singapore on 19 March 2024.

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NIKKO AM DYNAMIC BOND FUND

PROSPECTUS REQUIRED PURSUANT TO

DIVISION 2 OF PART XIII OF THE

SECURITIES AND FUTURES ACT 2001

This Prospectus dated 27 November 2024 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act 2001 and replaces the prospectus registered by the Monetary Authority of Singapore on 19 March 2024.

DIRECTORY

Managers

Nikko Asset Management Asia Limited

12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961

(Company Registration Number: 198202562H)

Trustee

BNP Paribas Trust Services Singapore Limited

20 Collyer Quay, #01-01, Singapore 049319

(Company Registration Number: 200800851W)

Auditors

PricewaterhouseCoopers LLP

7 Straits View, Marina One, East Tower, Level 12, Singapore 018936

Custodian

BNP Paribas, acting through its Singapore Branch
(Company Registration No.: S71FC2142G)
20 Collyer Quay, #01-01, Singapore 049319

Solicitors to the Managers

Allen & Gledhill LLP

One Marina Boulevard, #28-00, Singapore 018989

Solicitors to the Trustee

Tan Peng Chin LLC

50 Raffles Place, #27-01 Singapore Land Tower, Singapore 048623

NIKKO AM DYNAMIC BOND FUND

Important Information

Nikko Asset Management Asia Limited (the "**Managers**") accepts full responsibility for the accuracy of the information contained in this Prospectus of the Nikko AM Dynamic Bond Fund (the "**Fund**"), a feeder fund that currently invests substantially all of its assets in the shares of the Jupiter Global Fund – Jupiter Dynamic Bond (the "**Underlying Fund**"), and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no material facts the omission of which would make any statement herein misleading.

No offer is made by the Underlying Fund, Jupiter Asset Management Limited (the "**Underlying Fund Investment Manager**") or its affiliates (collectively, "**Jupiter**") or any administrator or other service provider of the Underlying Fund or Jupiter (the "**Underlying Fund Service Providers**") in respect of the Underlying Fund and no offer is made of interests in the Underlying Fund or any securities, investments or other assets in which the Underlying Fund may trade or invest. Neither the Underlying Fund, nor Jupiter, nor any Underlying Fund Service Provider has participated in the preparation of this Prospectus or in establishing the terms of the Underlying Fund and no such party accepts any responsibility or liability for such document, terms or the securities offered hereunder.

You should refer to the relevant provisions of the Deed (as defined in paragraph 1.3 of this Prospectus) and obtain independent professional advice if there is any doubt or ambiguity. You may inspect copies of the Deed at the business address of the Managers at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961 at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose).

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units in the Fund ("**Units**"). No representation is made as to the tax status of the Fund.

The Units may not be directly or indirectly offered or sold in the United States of America or any of its states, territories, possessions or other areas subject to its jurisdiction (the "**United States**") or for the benefit of a United States resident. If at any time it shall come to the knowledge of the Managers that any Units are held by or in the beneficial ownership or under the control of a United States resident, the Managers shall have the right, on giving written notice, to purchase from the holder such Units at the Realisation Price (as described in paragraph 11 of this Prospectus) or to require the holder of such Units to transfer all such Units to a person who is not a United States resident.

You should seek independent professional advice to ascertain (a) the possible tax consequences; (b) the legal and regulatory requirements; and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence, licensing or domicile, and which may be relevant to the subscription, holding or disposal of Units and should inform yourself of and observe all applicable laws and regulations of any relevant jurisdiction that may be applicable to you.

You should consider the normal risks involved in investing and participating in collective investment schemes before investing in the Fund. You should also carefully consider the risks of investing in the Fund, details of which are set out in paragraph 9 of this Prospectus. You should note that your investments can be volatile and that the value of Units may decline as well as appreciate. Therefore there is no assurance that the Fund will be able to attain its objective. The prices of Units as well as income from them may go up as well as down to reflect changes in the value of the Fund. You should only make an investment if you can sustain losses on your investment. You should also satisfy yourself as to whether an investment in the Fund is suitable for you based on your personal circumstances.

The Managers may in their absolute discretion, subject to the applicable investment restrictions as may from time to time be prescribed by the Monetary Authority of Singapore (the "**Authority**"), invest in financial derivative instruments ("**FDIs**") for the purposes of hedging and/or efficient portfolio management. The Underlying Fund, Jupiter Global Fund – Jupiter Dynamic Bond, may also invest in FDIs for investment purposes, hedging and efficient portfolio management. Please refer to paragraphs 9.2.5 and 9.2.14 of this Prospectus for further details, including the risks in connection with such investments.

No person, other than the Managers, has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Managers.

You should note that the Units are not listed on any stock exchange and that there is no secondary market for the Fund. You may purchase, cancel, realise or exchange your Units through the approved distributors of the Managers, subject to the ultimate discretion of the Managers in respect of the purchase, realisation or exchange of your Units in accordance with the provisions in the Deed. Institutional investors may also purchase, realise or exchange Units through the Managers directly.

The Units are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

You should direct all enquiries in relation to the Fund to the Managers or their approved distributors.

Personal Data Protection

You consent and acknowledge that any personal data provided to the Managers, the Trustee (as defined in paragraph 1.3 of this Prospectus), the Custodian (as defined in paragraph 4.3 of this Prospectus), the registrar of the Fund (the "**Registrar**") and/or such other appointed representatives, agents and/or service providers of the Managers and/or each of their affiliates and related corporations (as defined under Section 6 of the Singapore Companies Act 1967) ("**Recipients**", each a "**Recipient**") whether directly or through appointed distributors or agents or otherwise collected by or on behalf of a Recipient in connection with the subscription for Units, including any personal data relating to third party individuals (e.g. your beneficial owners, directors or authorised signatories, if you are not an individual) (such personal data, "**Data**") may be collected, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register of unitholders of the Fund; (ii) processing instructions from you or persons acting on your behalf or processing your trades or those of persons acting on your behalf; (iii) complying with any applicable rules, laws or regulations, regulatory policies, guidelines or industry codes, orders, directions or requests issued by any court, legal or regulatory bodies (whether in Singapore or otherwise) including rules and regulations relating to anti-money laundering and countering the financing of terrorism and the carrying out of audit checks, surveillance and investigation; (iv) preventing, detecting and investigating crime, offence or unlawful activity including but not limited to fraud, money-laundering, terrorist financing and bribery, and analysing and managing commercial risks; (v) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction; (vi) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction; (vii) providing client-related services, including providing customer support, responding to queries or feedback given by you or persons acting on your behalf, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to you or persons acting on your behalf; (viii) verifying your identity or the identity of persons acting on your behalf; (ix) reviewing and approving your account(s), and the conduct of initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing credit worthiness and standing; (x) legal claims, actions or proceedings including but not limited to drafting and reviewing documents, obtaining legal advice and facilitating dispute resolution or exercising or enforcing the rights of a Recipient under contract or pursuant to applicable laws and regulations; (xi) administering, operating, processing or managing the Units or the Fund; (xii) meeting or complying with the Recipient's internal policies and procedures; (xiii) handling feedback, queries or complaints; (xiv) maintaining the security of the Recipient's premises including but not limited to the use of forms of surveillance such as security cameras; (xv) facilitating any proposed or actual business assignment, transfer, participation or sub-participation in any of the Recipient's rights or obligations in respect of your relationship with the Recipient; (xvi) all purposes reasonably related to one or more of the foregoing; and (xvii) conducting general administration in relation to the foregoing. Where you provide personal data relating to third party individuals to a Recipient, you warrant that the prior consent of such third party individual, which will allow a Recipient to collect, use and disclose that personal data in the manner and for the purposes described above, has been obtained, and you consent to and acknowledge all such collection, use and disclosure on behalf of that third party individual. You shall, upon request from any Recipient, promptly provide a copy of the document(s) containing or evidencing such prior consent obtained from such third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (i) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (ii) related corporations of the Managers, the Trustee (as defined in paragraph 1.3 of this Prospectus), the Custodian (as defined in paragraph 4.3 of this Prospectus) or the Registrar; and (iii) any agent, contractor or third party service provider who provides administrative, mailing, data processing, business process, human resource, information technology or other services to a Recipient in connection with the operation of the business of a Recipient or the administration and operation of the Fund.

You may, after consenting to the collection, use and disclosure of your Data, withdraw your consent by giving notice in writing to the Managers, whether directly or through their appointed agents or distributors. You should note that a notice of withdrawal of consent submitted by you, or by any third party individuals whose personal data you have provided to the Recipients (e.g. your beneficial owners, directors or authorised signatories, if you are not an individual), may be deemed to be a request for redemption of all Units held by you.

You undertake to ensure that all information provided to the Recipient is true, accurate and complete and that changes to any such information shall be notified to the Recipient in a timely manner.

Foreign Account Tax Compliance

Treasury Regulations adopted in the United States to implement FATCA ("**US FATCA Regulations**") and intergovernmental agreements entered into by the United States and many other countries to implement FATCA reporting and exchange of information in those countries (each, an "**IGA**") provide the means by which non-US financial institutions ("**FIs**") meet their obligations to report account information with respect to US persons and certain non-US entities owned by US persons. FIs that comply with the requirements of the FATCA Regulations or the IGA in effect in their home jurisdictions, as applicable, will avoid US FATCA withholding taxes on relevant payments originating in the US. Failure to comply with the US FATCA Regulations or an applicable IGA can result in withholding tax on payments, liability with respect to taxes that should have been withheld, and additional penalties under both US law and the laws of the FI's home jurisdiction. Wilful failure to comply can result in criminal penalties.

You acknowledge that you shall notify the Managers or their approved distributors immediately in writing if you are a US Person or if you have subscribed for or hold any Units on behalf of any US Person. You shall further notify the Managers or their approved distributors not later than thirty (30) days of any change under FATCA or any laws or regulations that affects your tax status or the tax status of any US Person on whose behalf you have subscribed for or hold any Units.

You represent and warrant that you have provided or shall provide to the Managers or their approved distributors all documentation or other information required for compliance with FATCA and in connection with any change in tax status and shall otherwise provide all required documentation (including the completion of any FATCA related forms and documents) and other information not later than seven (7) days of any request in writing by the Managers or their approved distributors.

You acknowledge that if you fail to provide accurate and timely information the Managers and their approved distributors have the right to deem you recalcitrant and/or reportable and shall be entitled to take all necessary action(s) against you (including but not limited to, the right by the Managers, on giving written notice to you, to compulsorily realise on any Dealing Day (as defined in paragraph 10.5 of this Prospectus) all or any of the Units held by you at the Realisation Price in accordance with the realisation provisions under clause 14 of the Deed) to be compliant with requirements under FATCA, including but not limited to any local legislation enacted in connection with FATCA as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time. You should note that the Managers may compulsorily realise all or any of your Units in any of the circumstances set out in paragraph 20.7 of this Prospectus.

You consent to the collection, storage, and disclosure of any confidential information including personal data to persons to whom payments are made or from whom payments are received for your account and to governmental authorities as required by laws and regulations or other agreement by or between governments pursuant to FATCA. You represent that you have secured from any third party whose information may be provided to the Managers and their approved distributors all necessary consents and/or waivers to permit the Managers and their approved distributors to carry out the actions required pursuant to FATCA, and that you shall secure such consents and waivers prior to furnishing such information to the Managers and their approved distributors.

You acknowledge that the Managers and their approved distributors are entitled to take all necessary action determined by the Managers and the approved distributors to be and remain compliant with FATCA as is required by law or any agreement by or between governments. You authorise the Managers and their approved distributors to withhold or otherwise deduct from any payment any required tax or other government assessment, including but not limited to any requirement to withhold or deduct an amount pursuant to FATCA.

The Managers and their approved distributors shall have the right to determine and carry out any action which they consider to be appropriate to meet any obligations or requirements, whether in Singapore or elsewhere, for the purpose of the prevention of tax evasion. Such actions may include, but shall not be limited to, investigating and intercepting payments into and out of your account(s) (particularly in the case of international transfer of funds), investigating the source of or intended recipient of funds, sharing information and documents with any tax or regulatory authorities and withholding income from your account(s) and transferring it to such tax authorities. If there is any doubt as to whether a payment in or out of your account is lawful, the Managers and their approved distributors reserve the right to cease all dealings with you in relation to such account.

For the purposes of this section relating to foreign account tax compliance, the following words and expressions shall have the following meanings:

"**FATCA**" means sections 1471 through 1474 of the United States Internal Revenue Code and any regulations and other guidance issued in connection thereto or any agreement entered into with or between authorities and governments arising out of or in connection with FATCA or the implementation thereof, as each may be modified, amended, supplemented, re-enacted or re-constituted from time to time.

"**US Person**" means a United States citizen or resident individual, a partnership or corporation organised in the United States or under the laws of the United States or any state of the United States, or a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the United States Internal Revenue Code. Please note that persons who have lost their United States citizenship and who live outside the United States may nonetheless in some circumstances be treated as US Persons.

Common Reporting Standard and Automatic Exchange of Information

The Common Reporting Standard ("**CRS**") is an internationally agreed standard for the automatic exchange of financial account information between jurisdictions for tax purposes, to better combat tax evasion and ensure tax compliance. CRS has been implemented in Singapore via Part 20B of the Income Tax Act 1947, read together with the Income Tax (International Tax Compliance Agreements)(Common Reporting Standard) Regulations 2016 (collectively the "**CRS Regulations**"). Singapore has been exchanging financial account information with jurisdictions where Singapore has a competent authority agreement (also known as "partner jurisdictions") since September 2018.

The CRS Regulations require a Singapore financial institution that is a Reporting FI (as defined in the CRS Regulations, and referred to in this paragraph as an "SGFI") to identify and determine the tax residences of all its account-holders, and in some cases, the controlling persons of an account holder. The SGFI is required to report to the Inland Revenue Authority of Singapore ("**IRAS**") on an annual basis, the particulars and account information of its account holders, and where applicable the particulars of the controlling persons, that are tax residents of partner jurisdictions. The IRAS will in turn transmit the financial account information of such account holders and controlling persons to the respective tax authorities of the partner jurisdictions in which such persons are tax resident pursuant to the terms of the applicable competent authority agreement.

Accordingly, the Managers and/or the Trustee (as defined in paragraph 1.3 of this Prospectus) will require you to provide, amongst other things, information in relation to your identity and tax residence(s) of your account(s) (and the controlling persons, if any), including tax identification numbers, FATCA and CRS classification status and any additional documentation or information. Where applicable, the information you provided, and the financial account information of your account, will be reported to the IRAS and transmitted to the other relevant tax authorities for purposes of complying with FATCA, the CRS Regulations and any similar automatic exchange of tax information regimes.

You acknowledge that the Managers and their approved distributors may each take such action and/or pursue all remedies at its disposal (including, without limitation, rejection of any application for Units or withholding of redemption proceeds) as they consider necessary to secure payment of withholding tax or penalties incurred by the Fund due to your refusal to provide the requisite information regarding your tax status, identity, tax residency or other information. Any related tax, costs, interest, penalties and other losses and liabilities suffered by the Fund and Managers and their approved distributors or any agent, delegate, employee, director, officer, manager, member or affiliate of any Holder (as defined in paragraph 1.4 of this Prospectus) pursuant to CRS and/or FATCA, arising from your failure to provide the requested information to the Fund (whether or not such failure actually leads to compliance failures by the Fund and Managers and their approved distributors, or a risk of the Fund and Managers and their approved distributors or the Holder being subject to withholding tax) shall be economically borne by you.

No Holder affected by any such action or remedy shall have any claim against the Fund and Managers for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with CRS, including the IGA, any Competent Authority Agreement ("**CAA**"), the FATCA regulations and the CRS regulations.

In case of cross-border mergers of FIs, the Managers or their approved distributors may be required to collect additional information from you to comply with the applicable laws or regulations. Please note that exchange of information to the tax authorities subsequent to merger may be different from the exchange of information pre-merger.

You should consult your professional advisers on the possible tax and other consequences with respect to the implementation of FATCA and CRS.

WARNING

The Fund may only be offered to professional investors in Hong Kong and is not authorised by the Securities and Futures Commission. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents, you should obtain independent professional advice.

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NIKKO AM DYNAMIC BOND FUND

*The Fund offered in this Prospectus is an authorised scheme under the Securities and Futures Act 2001 (the "**SFA**"). A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund.*

1. BASIC INFORMATION

1.1 The Fund is a Singapore authorised open-ended standalone unit trust.

1.2 This Prospectus is a replacement prospectus lodged with the Authority on 27 November 2024 and replaces the prospectus that was registered by the Authority on 19 March 2024. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 18 March 2025) and shall expire on 19 March 2025.

1.3 The Fund is constituted as a standalone unit trust in Singapore on 4 February 2021 pursuant to the trust deed dated 4 February 2021 (the "**Deed**") entered into between the Managers and BNP Paribas Trust Services Singapore Limited (the "**Trustee**"). You may inspect copies of the Deed at the business address of the Managers at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961 at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose). Unless specifically defined herein, all defined terms used in this Prospectus shall have the same meaning as used in the Deed.

1.4 The Deed is binding on the Managers, the Trustee and all unitholders of the Fund (the "**Holders**") (and all persons claiming through such Holders) as if such persons had each been a party to the Deed. Much of the information in this Prospectus is a summary of corresponding provisions in the Deed. You should read the Deed for further details and for further information which is not contained in this Prospectus.

1.5 **Accounts and Reports**

You may obtain the latest annual and semi-annual reports, annual and semi-annual accounts and the auditors' report on the annual accounts relating to the Fund from the Managers' website at www.nikkoam.com.sg.

2. THE MANAGERS

2.1 The managers for the Fund are Nikko Asset Management Asia Limited (Company Registration No.: 198202562H) and their registered and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Managers are licensed and regulated by the Authority.

2.2 The Managers have managed collective investment schemes or discretionary funds in Singapore since 1982.

2.3 The Fund, as a feeder fund currently, will invest substantially all of its assets in the shares of the Underlying Fund, a sub-fund within the Jupiter Global Fund. The Jupiter Global Fund qualifies as a UCITS[1] and is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a Société d'Investissement à Capital Variable ("**SICAV**").

2.4 The management company of the Jupiter Global Fund is Jupiter Asset Management International S.A. (the "**Underlying Fund Manager**") which is domiciled in the Grand Duchy of Luxembourg. The Underlying Fund Manager has been managing collective investment schemes or discretionary funds since 19 March 2019. The financial supervisory authority of the Underlying Fund Manager is the Commission de Surveillance du Secteur Financier ("**CSSF**").

2.5 The Underlying Fund Manager has delegated its investment management functions to the Underlying Fund Investment Manager, which is domiciled in the United Kingdom. The Underlying Fund Investment Manager has been managing collective investment schemes or discretionary funds since 1 December 2001. The financial supervisory authority of the Underlying Fund Investment Manager is the Financial Conduct Authority.

2.6 Subject to Section 295 of the SFA, the Managers may be removed by the Trustee by notice in writing, if they go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a judicial manager or a receiver is appointed over any of their assets. Please refer to the Deed for further information on the role and responsibilities of the Managers and what happens if they become insolvent.

2.7 **Directors of the Managers**

<u>Seet Oon Hui Eleanor</u>

Eleanor joined the Managers in 2011 as the President and as an executive director of the Managers. She is also the Head of Asia ex-Japan at the Managers and is responsible for driving the growth of the Managers in the region. Additionally, she leads in the management of Nikko Asset Management group's joint venture relationships in China and Malaysia and is a board member of AHAM Asset Management Berhad. Eleanor is a pioneer in the asset management industry with over 20 years of experience.

Prior to joining the Managers, Eleanor led the distribution efforts for iShares concentrating on the wealth management segments across Asia ex-Japan. Previously, she spent 12 years at AllianceBernstein, where she was responsible for building and developing the firm's distribution channels and business. In that capacity, she was responsible for the overall strategy and execution of the firm's product offerings in South East Asia via intermediaries.

Eleanor graduated with a Bachelor of Economics from the University of New South Wales, Sydney. In 2017, she was conferred the IBF Fellow distinction by the Institute of Banking and Finance Singapore.

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[1] **<u>UCITS</u>**" means an undertaking for collective investment in transferable securities established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as such may be further amended, supplemented or replaced from time to time and any rules made by the CSSF pursuant to them.

Yutaka Nishida

Yutaka Nishida joined Nikko Asset Management in April 2020 as a Non-Executive Director, before becoming a Director and Executive Vice Chairman in June 2021, and Executive Chairman since April 2022. He works closely with the President in the supervision and execution of all aspects of the business.

In 1984, Nishida joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Ltd.) and his career spans key senior roles at Sumitomo Mitsui Trust Bank and Sumitomo Mitsui Trust Holdings Inc. He gained extensive international experience as Head of New York Unit, Global Markets and later Regional Executive for Europe and General Manager of London Branch. In 2012, he was named an Executive Officer of Sumitomo Mitsui Trust Bank and rose through the ranks eventually to 2017 as Director and Senior Managing Executive Officer. Meanwhile at Sumitomo Mitsui Trust Holdings, he was appointed Executive Officer in 2013, and held senior roles until becoming a Director and Senior Managing Representative Executive Officer in 2019. During this time, he was mainly responsible for overseeing key administrative functions of risk management, fiduciary risk management, legal and compliance.

Nishida graduated from the School of Law at Kyoto University in March 1984.

Hiroshi Yoh

Hiroshi Yoh joined Nikko Asset Management in November 2022 as Executive Corporate Officer, Chief Investment Officer ("CIO") and Global Head of Investment. He is responsible for directing all of the firm's investment management activities globally.

With 33 years of experience in the asset management industry, Yoh has served in offices throughout Asia of major global and Japanese players, where he held key roles including Chief Executive Officer ("CEO"), CIO, Portfolio Manager and Strategist. Prior to joining Nikko Asset Management, he was President of Franklin Templeton Japan Co., Ltd., and CEO and CIO of Tokio Marine Asset Management International. As a portfolio manager, Yoh has managed Japanese equity, Asia equity, global emerging market equity, Asia multi-asset balanced funds, as well as private equity and hedge funds. Most recently, he was CIO at Asset Management One in Singapore since December 2019.

In December 2021, Yoh was named as one of 25 Leaders in the Asian asset management industry over last 25 years for his outstanding contributions, according to industry publication Asia Asset Management.

He earned a Master of Economics, with a major in International Trade and Finance from the Graduate School of Business Administration and Political Science at Tsukuba University in 1989, and completed the Advanced Management Program at Harvard Business School in 2010. He is also a Chartered Member of the Securities Analysts Association of Japan (CMA).

Allen Yan

Allen Yan is Executive Corporate Officer and Chief Financial Officer, Global Head of Finance and Head of Finance Division, responsible for all financial accounting and capital management throughout the firm globally. He also serves as Global Head of Strategic Planning, and oversees all strategic activities. He has held his current roles since April 2023, and is based in Tokyo.

Yan first joined Nikko Asset Management in May 2006 as General Manager, Analysis and Budgeting Department. In March 2008, he became Head of Strategy & Financial Planning Department. Then in April 2011, he was seconded to the joint venture company Rongtong Fund Management Co., Ltd. headquartered in Shenzhen, China, as Executive Deputy CEO. In May 2013, with the founding of Rongtong's subsidiary in Hong Kong Rongtong Global Investment Limited, he took on the additional role as its CEO. He returned to Nikko Asset Management in January 2023 as an Executive Corporate Officer and Chief Financial Officer.

Prior to joining Nikko Asset Management, Yan joined the New Business Development Group at Fidelity Investments in Boston in 2000 and later transferred to Fidelity Investments Japan in 2001. There, he was in the finance division, responsible for business planning and financial analysis for Fidelity Investments Japan and subsequently Fidelity Investments Asia.

He earned his BA in Economics at the University of Chicago and his Master of Commerce and Management at Hitotsubashi University in Japan. He holds the designation of Chartered Financial Analyst (CFA).

2.8 Key executives of the Managers

The key executives of the Managers in relation to the Fund are Seet Oon Hui Eleanor (whose description is set out in paragraph 2.7 above) and Choo Wing Kwong.

Choo Wing Kwong heads the Portfolio Solutions Group (PSG) at Nikko AM and the Managers. He leads a global team of 13 professionals conducting manager evaluation, active portfolio management, investment strategy analysis and capital market research for Nikko AM's and the Managers' multi-managers investment programs.

Wing Kwong has more than 20 years of investment experience. Prior to joining Nikko AM and the Managers in 2015, Wing Kwong spent 15 years at the Government of Singapore Investment Corporation (GIC), in Singapore and New York, as a portfolio manager in the External Managers Department. At GIC, he invested into special situations hedge funds and managed multiple portfolios of external equities, fixed income and currencies strategies. Prior to joining GIC, Wing Kwong was an industry development planner with Singapore's Ministry of Trade and Industry.

Wing Kwong is passionate about impact investing. He established an Environmental, Social and Governance (ESG) working group within PSG to spearhead the integration of good ESG practices into PSG's investment process. At a personal level, Wing Kwong does socially responsible micro-financing in Myanmar and chairs the investment committee of a bible school in Singapore.

Wing Kwong holds a Master of Science degree in Industrial and Systems Engineering from the National University of Singapore, and is a Chartered Financial Analyst charterholder.

3. THE TRUSTEE

The trustee for the Fund is BNP Paribas Trust Services Singapore Limited (Company Registration Number: 200800851W) and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319. The Trustee is approved and regulated by the Authority.

The Trustee may be removed by the Managers by notice in writing, if it goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a judicial manager or a receiver is appointed over any of its assets. Please refer to the Deed for further information on the role and responsibilities of the Trustee and what happens if the Trustee becomes insolvent.

4. OTHER PARTIES

The Registrar

4.1 The Registrar is the Trustee and Holders may inspect the register of Holders (the "**Register**") at 20 Collyer Quay, #01-01, Singapore 049319 during usual business hours subject to such closure of the Register in accordance with the Deed and such reasonable restrictions as the Managers or the Trustee may impose.

The Auditors

4.2 The auditors for the Fund are PricewaterhouseCoopers LLP of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936.

The Custodian

4.3 The custodian of the Fund (the "**Custodian**") is BNP Paribas, acting through its Singapore Branch, with its registered address at 20 Collyer Quay, #01-01, Singapore 049319. The Custodian is a global custodian with direct market access in certain jurisdictions and for other markets it engages selected sub-custodians. In respect of its sub-custodians, the Custodian operates a selection and on-going monitoring program based on defined criteria which include financial strength, reputation, and breadth and quality of services provided, such as communication capabilities, settlement, safekeeping, corporate action notification and processing, dividend collection and payment, client service delivery, market information management, asset segregation and business continuity planning. The Custodian is licensed and regulated in Singapore by the Authority. The sub-custodians appointed by the Custodian are regulated in their home jurisdictions.

In the event that the Custodian becomes insolvent, the Trustee may terminate the appointment of the Custodian and, in accordance with the Deed, appoint such other person as the new custodian to provide custodial services to the Fund.

The Administrator

4.4 The administrator of the Fund (the "**Administrator**") is BNP Paribas, acting through its Singapore Branch, with its registered address at 20 Collyer Quay, #01-01, Singapore 049319. The Managers have delegated their accounting and valuation functions in respect of the Fund to the Administrator.

4.5 Counterparties, brokers and/or prime brokers (if any) that are used by the Fund are selected from an approved panel and their appropriateness for continuous use by the Managers is reviewed on a regular basis. The Managers must complete due diligence on the counterparties, brokers and/or prime brokers and obtain the relevant internal approvals for their inclusion onto the panel. However, for inclusion onto the panel of counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter ("**OTC**") derivatives, secured/unsecured call loan or securities lending, approval must also be sought from the risk management department of the Managers' parent company, Nikko AM.

4.6 The Managers have delegated certain transfer agency functions, in respect of the Fund, to BNP Paribas, acting through its Singapore Branch. The services are to be provided to the Fund pursuant to the terms of a transfer agency agreement between the Managers and BNP Paribas, acting through its Singapore Branch.

5. STRUCTURE OF THE FUND

5.1 The Fund is a Singapore authorised standalone unit trust. The base currency of the Fund is the Euro ("**EUR**" or "**€**").

5.2 It is the Managers' current policy that the Fund will be a feeder fund ("**Feeder Fund**") investing substantially all of its assets into the Underlying Fund.

5.3 The Managers have the discretion to establish different classes of Units (each a "**Class**" and collectively the "**Classes**") from time to time. There are currently five Classes of Units established within the Fund, namely the Singapore dollar ("**SGD" or "S$**") Hedged Class Units (denominated in SGD), the SGD Hedged (Acc) Class Units (denominated in SGD), the United States dollar ("**USD**" or "**US$**") Hedged Class Units (denominated in USD), the Australian dollar ("**AUD**" or "**AU$**") Hedged Class Units (denominated in AUD) and the EUR Class Units (denominated in EUR).

5.4 The Classes differ in terms of their currency of denomination. In addition, for the SGD Hedged Classes, the AUD Hedged Class and the USD Hedged Class, the Managers intend to hedge the currency exposure of the assets of the Fund attributable to (a) the SGD Hedged Classes into SGD, (b) the AUD Hedged Class into AUD, and (c) the USD Hedged Class into USD, through the use of currency derivatives. Consequently, the net asset value ("**NAV**") per Unit of each of the SGD Hedged Classes, the AUD Hedged Class and the USD Hedged Class will take into account any gains or losses arising from the use of the currency derivatives in respect of the relevant Class. Classes denoted with "(Acc)" are accumulating share classes whilst other Classes are distributing share classes. Please refer to paragraph 10.10 of this Prospectus on the availability of a regular savings plan for the Classes.

6. INCLUSION UNDER THE CENTRAL PROVIDENT FUND INVESTMENT SCHEME ("CPFIS")

6.1 The Fund is currently not included under the CPFIS.

7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH / PRODUCT SUITABILITY / DISTRIBUTION POLICY

7.1 Investment objective, focus and approach

The investment objective of the Fund is to achieve a high income with the prospect of capital growth. The Fund will invest directly or indirectly primarily in high yield bonds, investment grade bonds, government bonds, convertible bonds and other bonds.

The investment policy of the Fund will be to, as a Feeder Fund, invest substantially all of its assets in the shares of the Underlying Fund. The investment objective of the Underlying Fund is to achieve a high income with the prospect of capital growth from a portfolio of investments in global fixed interest securities.

The Underlying Fund will invest at least 70% of its NAV in higher yielding debt securities, either directly or indirectly through derivative instruments.

The debt securities in which the Underlying Fund may invest may: (i) be issued or guaranteed by governments (or their sub-divisions, municipalities or agencies) or corporate entities located anywhere in the world (including up to 100% in Emerging Markets[2]); (ii) have fixed, variable or floating rates of interest; (iii) have any maturity including short-term and long-term, or may have no set maturity; (iv) be rated investment grade, sub-investment grade or unrated; and (v) be denominated in any currency (non-Euro currency exposure may be hedged).

The Underlying Fund's investment in debt securities will be subject to the following limits:

- Not more than 30% of the Underlying Fund's NAV will be invested in contingent convertible bonds ("**CoCos**"). CoCos will typically be issued by financial institutions with minimum capital requirements, such as banks and insurance companies, will typically be in the form of subordinated debt instruments and will typically be Additional tier 1 or Restricted tier 1 instruments (as defined under Capital Requirements Regulation (EU) No. 575/2013). When a trigger event occurs CoCos may be converted into equity or principal may be written down on a permanent or temporary basis;
- not more than 10% of the Underlying Fund's NAV will be invested in distressed bonds at time of purchase;
- not more than 20% of the Underlying Fund's NAV will be invested in securitisations, including but not limited to asset backed securities and/or mortgage backed securities;
- not more than 10% of the Underlying Fund's NAV will be invested in catastrophe bonds;
- not more than 30% of the Underlying Fund's NAV will be invested in the China Interbank Bond Market including via Bond Connect;
- not more than 20% of the Underlying Fund's NAV will be invested in unrated bonds;

[2] Emerging Markets (as defined in the Underlying Fund's prospectus) has the meaning of, unless otherwise stated in the Underlying Fund's information sheet, those countries included in an industry recognised emerging market or frontier market index (such as the MSCI Emerging Markets Index and MSCI Frontier Markets Index) and/or those countries listed as low- and middle-income economies in the World Bank's website at www.worldbank.org and as updated from time to time.

- not more than 20% of the Underlying Fund's NAV will be invested in delta one securities, i.e. securities which embed a derivative (derivatives held directly by the Underlying Fund are not delta one securities);
- not more than 20% of the Underlying Fund's NAV will be invested in debt securities issued by real estate investment trusts;
- not more than 30% of the Underlying Fund's NAV will be invested in perpetual bonds (excluding CoCos); and
- not more than 10% of its NAV will be invested in units of other collective investment schemes (including money market funds and exchange-traded funds).

The Underlying Fund's investment in sub-investment grade fixed income securities (as rated by Fitch, Moody's and/or Standard & Poor's) is not subject to any limit. The Underlying Fund's overall average credit rating will vary over market cycles.

Under normal market conditions, the long term average credit rating is expected to range between B and AA as measured by Standard & Poor's or any equivalent grade of other credit rating agency, or, in the case of unrated bonds, as determined by the Underlying Fund Investment Manager.

The Underlying Fund will not focus on any specific geographical region and its investments are not confined or concentrated in any particular geographic region or market.

The Underlying Fund may invest up to 100% of its NAV in sustainable bonds including green bonds, social bonds and sustainability linked bonds.

Subject to the investment limits and restrictions applicable to it, the Underlying Fund may also invest up to 30% of its NAV (in aggregate) in other transferable securities, including equity and equity-related securities, and hold liquid assets (deposits and money market instruments). The Underlying Fund will not invest more than 20% of its NAV in bank deposits at sight, such as cash held in current accounts for ancillary liquidity purposes in normal market conditions.

Subject to the investment limits and restrictions applicable to it, the Underlying Fund may invest in financial derivative instruments for investment purposes and efficient portfolio management including hedging purposes.

Such investments may include, but are not limited to, currency forward contracts (including non- deliverable forwards), futures, options (including interest rate, credit and currencies), swaps (including credit default swaps, interest rate swaps, total return swaps ("**TRS**")) credit linked instruments and other fixed income, currency and credit derivatives.

The extent of the use of TRS by the Underlying Fund will be dependent on market conditions. TRS provide exposure on a total return basis to an underlying reference investment. Total return includes gains or losses from market movement, credit losses and income from interest and fees. Depending on market conditions a TRS may be the most appropriate way for the Underlying Fund to gain economic exposure, either long or short, to a debt security, bespoke basket of debt securities or debt index where direct investments, investment via collective investment scheme or via other financial derivative instruments (such as futures) are either not readily available, not cost effective, not liquid or are a short position (as the applicable laws and regulations prohibit physical shorting but allow economic exposure to short positions). For example, in times of market volatility the Underlying Fund may use TRS to hedge exposure to a specific sector such as investment grade European utilities where a future or exchange-traded fund ("**ETF**") is not available or not liquid, or in normal market conditions may use TRS to provide long exposure to a basket of debt securities where it is more cost effective than holding the physical positions directly. Long positions are typically taken where an investment is expected to increase in value, and short positions are typically taken where the investment is expected to decline in value, either outright or relative to another investment. The Underlying Fund may use TRS for either efficient portfolio management or investment purposes.

Sustainability Approach and Taxonomy Disclosure of the Underlying Fund

Material sustainability risks are integrated into the investment decision making process and risk management process. The active ownership approach considers material ESG factors (such as environmental, or social considerations) and principal adverse impacts on sustainability factors which strengthens the assessment of the risks and opportunities that drive long-term value. These measures are believed to enhance investment decision making leading to better client outcomes.

These risks are considered through the investment process and form part of the ongoing monitoring of companies in which the Underlying Fund is invested. The Underlying Fund Investment Manager will utilise a combination of any of the following to meet these goals:

i) Primary research;

ii) Third party ESG risk data (including climate analysis and principal adverse impact data);

iii) Proxy voting research;

iv) Direct and collaborative engagement with companies and other investors / industry bodies; and

v) Commitment to responsible investment codes.

There are no sustainability risk-related limits or ESG investment restrictions applicable to the Underlying Fund, save for such restrictions as may arise in line with regulatory requirements. Low ranking or negative third-party scores from third party ESG data providers will not automatically prohibit investment. The Underlying Fund Investment Manager retains discretion to divest or engage with a company when considering adverse sustainability risks or events. The above activities are conducted by the Underlying Fund Investment Manager because it is responsible for the integration of sustainability risks within the investment decision-making process. In the Underlying Fund Investment Manager's view, the integration of material sustainability risks in the investment process informs investment decisions and contributes to stronger risk adjusted returns over the long-term. The assessment of the likely impact of sustainability risks on returns involves both quantitative and qualitative judgments. The outcomes in accordance with Jupiter's responsible investment policy can be realised in the short term or achieved over multiple periods. Impact may also be influenced by market conditions. For further details on Jupiter's responsible investment policy, please refer to the Jupiter Group website (as may be amended from time to time), https://www.jupiteram.com/board-and-governance/#sustainable-finance-disclosures.

The investments underlying the Underlying Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

The Fund is actively managed. There is no benchmark against which the performance of the Fund is measured as the Underlying Fund, which the Fund invests substantially into, is actively managed and is not managed by reference to a benchmark.

The Underlying Fund is actively managed. The Underlying Fund is not managed by reference to a benchmark and does not use a benchmark for performance comparison purposes. This means the Underlying Fund Investment Manager is taking investment decisions with the intention of achieving the Underlying Fund's investment objective without reference to a benchmark. The Underlying Fund Investment Manager is not in any way constrained by a benchmark in its portfolio positioning.

The Fund shall comply with Appendix 1 of the Code on Collective Investment Schemes issued by the Authority, as amended from time to time (the Code as amended from time to time is referred to as the "**Code**").

7.2 **Product Suitability**

The Fund is suitable for investors who:

- seek to achieve high income with the prospect of capital growth;
- have a broad attitude to risk and are looking for a long term investment opportunity; and
- are willing and able to accept that their principal will be at risk.

You should consult your financial advisers if in doubt as to whether the Fund is suitable for you.

7.3 **Distribution Policy**

In respect of each Class, the Managers have the absolute discretion to determine whether any distributions should be made to Holders of Units in the relevant Class.

Sources of income for distribution include dividend and/or interest income and/or capital gains derived from the investments of the Fund (collectively, the "**Investment Income**"). The Managers will decide whether a distribution is to be made based on various factors, including the Investment Income. If the Investment Income is insufficient to fund a distribution for the Fund, the Managers may determine that such distributions should be paid from the capital of the Fund.

Where distributions are paid out of capital, the NAV of the relevant Class will be reduced and this will be reflected in the Realisation Price of the Units of that Class. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

Currently, the Managers may make distributions in accordance with the relevant distribution policies for the Classes of the Fund set out in the table below:

Class	**Distribution policy**
SGD Hedged	Monthly
USD Hedged	Monthly
AUD Hedged	Monthly
EUR	Monthly

You should note that the Managers' intention to make monthly distributions is not guaranteed and that the Managers may review the distribution policy of each of the Classes of the Fund set out in the table above in future depending on prevailing market conditions.

For the avoidance of any doubt, the Managers currently do not intend to make any distributions to Holders of the SGD Hedged (Acc) Class. The dividend and/or interest income and/or capital gains derived from the investments of the Fund that are attributable to this Class will be accumulated as part of the assets of the Fund that are attributable to this Class instead.

8. FEES AND CHARGES

8.1 The following fees and charges are applicable to the Fund^:

Fees and charges payable by a Holder/an investor	
Initial Sales Charge[3]	Current: Up to 5.00%; Maximum: 5.00% (Subject to the terms and conditions applicable to the exchange of units set out in paragraph 12)
Realisation Charge	Current: Nil; Maximum: 1%
Exchange Fee	Where the Initial Sales Charge paid for the Units being exchanged is less than the Initial Sales Charge payable for the Units being acquired, the Managers shall be entitled to charge for the difference. For the avoidance of doubt, where the Initial Sales Charge paid for the Units being exchanged is more than the Initial Sales Charge payable for the Units being acquired, the Managers shall be entitled to retain the difference.

[3] "**Initial Sales Charge**" means a charge upon the issue of Units of such amount as the Managers may from time to time determine generally or in relation to any specific transaction or class of transactions provided that such charge shall not exceed five per cent. of the gross investment sum. Such expression in the context of a given date shall refer to the charge or charges determined by the Managers pursuant to the Deed and applicable on that date.

Fees and Charges payable by the Fund*	
Annual Management Fee (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	Current: 1.30 %; Maximum: 2.00% (a) 40% to 100% of Annual Management Fee (b) 0% to 60%[4] of Annual Management Fee
Annual Trustee Fee	Current: 0.025% of the Fund's NAV; Maximum: 0.10% of the Fund's NAV. Subject always to a minimum fee of S$5,000 per annum or such lower amount as the Managers and the Trustee may agree from time to time.
Fees charged by the Underlying Fund which the Fund invests in**	Subscription fee or preliminary charge: Up to 3.00% Realisation fee: Nil Investment management fee: currently 0.50% - however, please note that a portion of the gross fees of 0.50% will be rebated back to the Fund in relation to the Fund's investment into the Underlying Fund. Any other substantial fee/charge (i.e. 0.1% or more of the Underlying Fund's asset value): - Aggregate Operating Fee: currently 0.14%
Other Fees and Charges*	Subject to agreement with the relevant parties, other fees and charges may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the Fund's NAV. * For the financial year ended 31 Dec 2022: • Professional fee – 0.23% • Legal fee – 0.27% • Transaction costs – 0.24% • GST – 0.20% • Audit fee – 0.31% • Valuation fee – 0.20% • Other fund administration related fees (share class accounting and financial reporting) – 0.10% • Transfer agent fee – 0.10%

^ You should note that the fees and charges applicable to the Fund (including fees based on the NAV of the Fund) will be based on the NAV before Swing Pricing adjustment (if any) is applied. Please refer to paragraph 20.10 of this Prospectus for further details.

[4] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

* In respect of the existing 5 Classes described in Paragraph 5.3, the Managers intend to cap the total expense ratio of each Class at 1.45% per Class. Any fees and expenses that are payable by the relevant Class and are in excess of the total expense ratio cap for such Class will be borne by the Managers and not the Class. The Managers reserve full discretion, to remove or vary the percentage of such cap by notification to Holders. In addition, for new Classes established subsequently, the Managers reserve the discretion not to impose a cap or to impose a different cap on such subsequent Classes.

** You should note that where a fee charged by the Underlying Fund is calculated based on its NAV, such fee would be based on the “unswung” price of the Underlying Fund (i.e without applying any Dilution Adjustment as described in paragraph 9.3.9).

8.2 The Initial Sales Charge and the Exchange Fee where applicable, will be retained by or paid to the approved distributors of the Managers and/or the Managers for their own benefit or will be shared between the approved distributors and the Managers. Any rounding differences due to the adjustment in the calculation of the Issue Price (as described in paragraph 10 of this Prospectus) and Realisation Price will be retained by the Fund. Any commission, remuneration or other sum payable to the approved distributors in respect of the issue or sale of any Units shall not be added to the price of such Units but will be paid by the Managers. The approved distributors may also charge additional fees not listed in this Prospectus. You should therefore check with the approved distributors before subscribing for Units.

The Managers may at any time differentiate between investors as to the amount of the Initial Sales Charge and the Exchange Fee where applicable, (subject to the maximum permitted) or allow discounts on such basis or on such scale as the Managers may think fit.

9. RISKS

9.1 General risks of investing in collective investment schemes

9.1.1 While the Managers believe that the Fund offers the potential to achieve its stated objective, there is no assurance that this objective will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision, and you should also assess for yourself the risks of investing in the Fund’s investments in general.

9.1.2 You should be aware that the price of Units can go down as well as up and this may be in response to changes in interest rates, foreign exchange, economic and political conditions. Past performance is not necessarily a guide to the future performance of the Fund. You may not get back your original investment. An investment in the Fund is designed to produce returns over the medium to long-term and is not suitable for short-term speculation. The value of the Fund and its distributions (if any) may rise or fall.

9.1.3 Dealings in the Units and the calculation of the NAV thereof may be suspended in certain circumstances and the redemption of Units may be suspended or deferred in certain circumstances as provided for in the Deed.

9.2 Risks specific to the Fund

9.2.1 **Interest rate and credit risk:** Investments in debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, and are subject to adverse changes in general economic conditions, the financial condition of the issuer, or both, or an unanticipated rise in interest rates, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.

9.2.2 **Market Risk**: The prices of the securities comprised in the portfolio of the Fund and the Units, and the income from them, may be influenced by political and economic conditions, changes in interest rates, the earnings of the corporations whose securities are comprised in the Fund's portfolio, and the market's perception of such securities.

9.2.3 **Liquidity Risk**: The extent of market liquidity would depend on the size of the market and therefore affect the Fund's ability to acquire or dispose of assets at the price and time desired. There may be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and repatriation of their investments in foreign currency.

9.2.4 **Foreign Securities Risk**: The investments of the Fund may be affected by political instability as well as exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities in the other countries. The legal infrastructure and accounting, auditing and reporting standards in certain countries in which an investment may be made by the Fund may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Foreign ownership restrictions in some markets may mean that corporate action entitlements may not always be secured or may be restricted.

9.2.5 **Foreign Exchange Risk**: As the investments of the Fund may be denominated in currencies other than the EUR, fluctuations of the exchange rates of such currencies against the base currency of the Fund (i.e. EUR) may have an impact on the income of the Fund and affect the value of Units.

The Fund may also invest in securities that are denominated in a wide range of currencies, some of which may not be freely convertible. The NAV of the Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currency in which the Fund's investments are denominated. The Fund may therefore be exposed to foreign exchange/currency risks.

The Managers reserve the discretion to hedge, whether fully, partially or not at all, the foreign currency exposure of the Fund depending on the prevailing foreign exchange rates, and if no hedging or partial hedging is made, the value of the Fund may be affected. If the foreign currency exposure of the Fund is hedged, an active hedging strategy is usually adopted.

In addition, as the Fund is denominated in EUR, foreign currency exchange rate movements may affect the returns to investors in Singapore, and such investors may be exposed to exchange rate risks.

If any investments of the Fund are denominated in currencies other than the currency in which the relevant Class of the Fund is denominated, fluctuations in the exchange rates of the currency of the investment against the currency of denomination of the relevant Class may affect the NAV of the relevant Class. The Managers reserve the discretion to hedge, whether fully, partially or not at all, the currency exposure of the assets of the Fund that are attributable to any of the Classes to the relevant currency in which it is denominated. If any such currency exposure is hedged, an active hedging strategy is usually adopted.

9.2.6 **Currency Hedged Class Risk**: If the currency of a Class within the Fund is different from the base currency of the Fund, fluctuations in exchange rates may affect the NAV of the Class irrespective of performance and therefore substantially impact the performance of such Class expressed in its currency. For currency hedged Classes (each referred to in this sub-paragraph as a "**Hedged Class**" and collectively the "**Hedged Classes**"), the Managers may seek to reduce such exchange rate fluctuations by engaging in currency hedging transactions between the currency of the relevant Hedged Class and the base currency of the Fund. However there is no assurance that the hedging objective can be achieved. In the case of a net flow to or from such Hedged Classes, the hedging may not be adjusted and reflected in the NAV of the relevant Hedged Class until the following or a subsequent Business Day[5] following the valuation day on which the instruction was accepted. To the extent these hedging transactions are imperfect or only placed over a portion of the foreign exchange exposure, the resulting gains/losses will be reflected in the NAV of such Hedged Classes. The cost of using FDIs such as currency derivatives to implement these hedging strategies with respect to the Hedged Classes may also be reflected in the NAV of such Hedged Classes. You should note that in extreme cases, there is a risk that currency hedging transactions that are attributed to specific Hedged Classes may adversely affect the NAV of other Classes within the Fund due to a lack of segregated liabilities between Classes of the Fund.

9.2.7 **Emerging Markets Risks:** The Fund may invest in emerging markets securities which are in general more volatile than those of developed countries, with the result that the Units may be subject to greater price volatility.

Some emerging markets do not have well-developed or consolidated bodies of securities laws and regulatory frameworks. There may be less public information on companies listed on such markets as compared to other stock markets. The auditing and financial reporting methods used in some emerging markets may differ from internationally recognised standards, and information on the accounts of some companies listed on such markets may not be an accurate reflection of their financial strength.

[5] "**Business Day**" means a full day (other than a Saturday, Sunday or public holiday in Singapore) on which banks in Singapore and Luxembourg are open for business, or any other day as the Managers and the Trustee may agree in writing.

You would also have to take into account that trading volume in emerging markets may be substantially less than in the world's leading stock markets and trading may have to be conducted at unfavourable prices. Securities of companies domiciled in emerging markets are less liquid and more volatile than those domiciled in more developed stock markets and this may result in fluctuations in the price of the Units. Emerging markets may not have fully developed custodian and settlement services and therefore investments in such markets are subject to a greater degree of risk.

There may also be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency.

9.2.8 **Counterparty Risk**: The Trustee may (upon the instructions of the Managers), on behalf of the Fund, enter into transaction(s) with one or more counterparties which may expose the Fund to the credit risk of the counterparties with whom it trades and the risk of settlement default. The aforementioned counterparties may also be issuers of the securities in which the Fund invests. If any counterparty becomes bankrupt or insolvent, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Trustee seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. Also, fraud, regulatory sanctions or a refusal to complete a transaction by any of these counterparties could significantly impair the operational capabilities or the capital position of the Fund. The Managers intend that the counterparties with which the Trustee deals on behalf of the Fund must have reasonable financial soundness at the time of entering into the relevant transaction. It is also possible that the above transactions will be 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 entered into. The Managers will use reasonable efforts to mitigate such risks but there can be no guarantee that transactions with such counterparties will always be completed in the manner contemplated by, and favourable to, the Fund.

9.2.9 **Changes in Applicable Law and Regulation**: The Fund must comply with various legal and regulatory requirements imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Fund, the legal requirements to which the Fund and its Holders may be subject, could differ materially from current requirements.

9.2.10 **Country Specific Risk**: The Fund may invest in securities of a limited number of countries. Where the Fund invests in a few, select countries, it will be exposed to fluctuations in the economies of these countries, and the market, currency, political, social environment and other risks related specifically to these countries, which may affect the market price of its investments in these countries. Exposure to a limited number of countries also increases the potential volatility of the Fund due to the increased concentration risk as it is less diversified as compared to being exposed to global markets.

9.2.11 Income Distribution Risk: You should note that the income of the Fund (if any) may be distributed to Holders at the absolute discretion of the Managers. Sources of income for distribution include dividend and/or interest income and/or capital gains derived from the investments of the Fund. Such dividend and/or interest income may be adversely affected by events such as (but are not limited to) companies suffering unexpected losses or, having lower than expected dividends and adverse exchange rate fluctuations. In addition to distributions to Holders out of distributable income and/or capital gains, the Managers may make capital distributions to Holders at such time as they deem fit in accordance with the provisions of the Deed.

Where distributions are paid out of capital, the NAV of the relevant Class will be reduced and this will be reflected in the Realisation Price of the Units of that Class. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

9.2.12 Political Risk: The value of the Fund's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Fund may invest.

9.2.13 Investment Strategy Risk: The performance of the Fund is subject to the performance of the Underlying Fund. The Managers have no control over the investment strategy of the manager of the Underlying Fund and hence there is no assurance that the Underlying Fund will meet its investment objective.

9.2.14 Financial Derivative Risk

(i) In respect of the Fund, subject to the Code, the Managers may in their absolute discretion, invest in FDIs for the purposes of hedging and/or efficient portfolio management, provided that FDIs are not used to gear the overall portfolio. Where such FDIs are financial derivatives on commodities, such transactions shall be settled in cash at all times. The Fund may net its OTC financial derivative positions.

(ii) Where FDIs are used, the global exposure of the Fund to FDIs or embedded FDIs will not exceed 100% of the NAV of the Fund at all times and such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.

(iii) The Managers employ a risk management process in the investment of FDIs. The risks related to each FDI the Managers invest in are duly measured, monitored and managed on an ongoing basis.

(iv) All open positions/exposure in FDIs may be marked to market at a frequency at least equal to the frequency of the calculation of the NAV of the Fund.

(v) The Managers have a dedicated team which is responsible for oversight of, amongst other things, the monitoring of the Fund for compliance with the investment guidelines. This team will be responsible for setting up and maintaining the checks on the investment guidelines and restrictions on both the automated and manual compliance systems, which cover pre-trade and on-going review of the Fund.

(vi) The Managers also have an established procedure to report breaches of the investment guidelines, if any.

(vii) The Managers will ensure that the risk management and compliance procedures and controls adopted in paragraphs 9.2.14(iii) to 9.2.4(vi) are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of FDIs.

(viii) While the prudent and judicious use of derivatives by investment professionals can be beneficial, derivatives involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. The Managers have the necessary expertise and controls for investments in derivatives and have in place systems to monitor the derivative positions for the Fund, if any.

The viability of exercising derivative instruments depends on the market price of the investments to which they relate, and accordingly, the Managers may from time to time decide that it is not viable to exercise certain derivatives held by the Fund within the prescribed period, in which case, any costs incurred in obtaining the derivatives will not be recoverable. Additionally, the market price of the relevant investment may not exceed the exercise price attached to the derivative instrument at any time during the exercise period or at the time at which the warrants or options are exercised and if this happens, there may be an immediate loss to the Fund.

It is possible that the Fund's NAV may be subject to volatility due to the Fund's or the Underlying Fund's usage or investment in FDIs.

9.3 The risks specific to the investments of the Fund in the Underlying Fund are as follows:

The following are the principal risks which may affect the Underlying Fund but the list is not exhaustive:

9.3.1 **Investment Objective Risk**: There can be no guarantee that the investment objective of the Underlying Fund will be met. Investors should be aware that the Underlying Fund may invest on a limited basis in areas which are not naturally associated with the name of the Underlying Fund. These other markets and/or assets may act with more or less volatility than the core investments and performance will, in part, be dependent on these investments. Investors should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed.

9.3.2 **Liquidity Risk**: A lack of liquidity in the assets in which the Underlying Fund invests (whether due to difficult market conditions or otherwise) may adversely affect the Underlying Fund's ability to dispose of such assets and/or the price at which such assets can be sold. The absence of reliable pricing information in a particular asset held by the Underlying Fund may make it difficult to assess reliably the market value of such assets.

9.3.3 **Market Suspension Risk**: Trading on a securities exchange (generally or in respect of a particular issuer) may be suspended or halted pursuant to the securities exchange's rules as a result of market conditions, technical malfunctions which prevent trades from being processed, issues relating to a particular issuer or otherwise. Any such halt or suspension or limitation would result in the Underlying Fund being unable to sell the securities traded on that securities exchange and, accordingly, expose the Underlying Fund to losses and delays in its ability to redeem shares.

9.3.4 **Equities (including ordinary and preference shares):** Experience has shown that equities and securities of a share-like character are subject to general market risks and strong price fluctuations. That is why they offer the possibility of considerable price gains, but also involve increased risks. For example, the prices of equities and securities of a share-like character are influenced above all by issuer-specific factors, changes in investment sentiment, the profits or otherwise of individual enterprises and sectors as well as macro-economic developments and political perspectives, which determine the expectations of the securities markets and thus the movement of prices. All factors affecting the value of securities in some markets and under certain situations cannot easily be determined and the value of such investments may decline or be reduced to zero.

9.3.5 **Credit and Counterparty Risk**: Even when the securities to be acquired are selected carefully, the credit/default risk, i.e. the risk of loss through the inability of issuers to pay (issuer risk), cannot be excluded. The value of the Underlying Fund may be adversely affected if any of the institutions with whom the assets of the Underlying Fund are invested or deposited suffers insolvency or other financial difficulties. Such deposits may include margin payments to derivative counterparties and cash held on deposit at bank.

The Underlying Fund may invest in financial derivative instruments, comprising options, futures, index futures and currency forward contracts for hedging and efficient portfolio management, as more fully described in the investment policy of the Underlying Fund. There is a risk that the use of such instruments will not achieve the goals aimed at. Also, the use of swaps and other derivative contracts entered into by private agreements may create a counterparty risk for the Underlying Fund concerned.

In certain circumstances, there may be a credit risk with regard to parties with whom the Underlying Fund trades and the Underlying Fund may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. It may not always be possible for the securities and other assets deposited with custodians or brokers to be clearly identified as being assets of the Underlying Fund and the Underlying Fund may be exposed to a credit risk in those situations. In addition, there may be practical or time problems associated with enforcing the the Underlying Fund's rights to its assets in the case of an insolvency of any such party. In such circumstances it is possible that the Underlying Fund will not be able to recover any debt in full, or at all.

These risks are mitigated by the fact that the counterparties must be institutions subject to prudential supervision and that the counterparty risk on a single entity must be limited in accordance with the investment restrictions. The secondary market price of such financial derivative instruments will vary in accordance with the market's perception of the credit worthiness of the issuer.

In the event of failure of the counterparty the Underlying Fund may only rank as an unsecured creditor in respect of sums due from the issuer or broker in question, meaning that the Underlying Fund may be unable to recover part or all of the assets exposed to that counterparty and any such recovery may be significantly delayed. Such delay or loss would be to the detriment of the net asset value of shares in the Underlying Fund.

9.3.6 **Risks associated with use of FDIs**: Risks associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and OTC transaction risk. In particular, the following risk factors apply to the Underlying Fund, as it is able to able to invest in financial derivative instruments for investment purposes, hedging and efficient portfolio management.

Equity related securities

In accordance with its investment restrictions, the Underlying Fund may invest in equity related securities, including but not limited to financial derivative instruments comprising options, swaps, futures, warrants and preference shares. The Underlying Fund's investment in equity related securities is subject to counterparty and liquidity risks. Equity related securities may not be listed and are subject to the terms and conditions imposed by their issuers. There may be no active market in equity related securities and therefore investments in equity related securities can be illiquid.

In order to meet realisation requests, the Jupiter Global Fund relies upon the issuers of the equity related securities to quote a price to unwind any part of the equity related securities that will reflect the market liquidity conditions and the size of the transaction. There is a risk that the issuers of equity related securities will not settle a transaction due to a credit or liquidity problem and the Underlying Fund may suffer a loss (including a total loss). Investments in equity related securities do not entitle the investors to the beneficial interest in the underlying securities nor to make any claim against the company issuing the securities. Fluctuations in the exchange rate between the denomination currency of the underlying shares and the equity related securities will affect the value of the equity related securities, the redemption amount and the distribution amount on the equity related securities. In addition, investment through equity related securities may lead to a dilution of performance of the Underlying Fund when compared to a fund investing directly in the underlying equity securities due to, for example, the fees embedded in such equity related securities.

Options

Options are associated with particular risks which can differ in importance, depending on the position taken:

- The purchase price of a call or put option is lost on the date of maturity.
- If a call option is sold, there is a risk that the Underlying Fund will no longer be able to participate in especially strong appreciation of the asset. If put options are sold, there is a risk that the Underlying Fund will be obligated to acquire assets at the exercise price, even though the market value of these assets is significantly lower.
- The value of the Underlying Fund can be more strongly influenced through the leveraging of options than would be the case if assets were acquired directly.

Financial futures contracts

Financial futures contracts are associated with considerable opportunities as well as risks, because only a fraction of the relevant contract size (initial deposit) must be paid immediately. If the expectations of the Underlying Fund Investment Manager are not fulfilled, the difference between the price at the time of conclusion and the market price must be borne by the Underlying Fund by no later than the due date of the transaction. The amount of the possible loss is thus not known in advance and may exceed any collateral provided.

Participation notes

Participation notes involve a particular contracting party risk in that the contracting party may be unable to meet its payment obligations, or may do so only partially or late. They may also involve a market risk arising from fluctuations in exchange rates and interest rates. In the case of participation notes which convert into foreign currency, there are also exchange rate opportunities and risks. Moreover, these participation notes are subject to what is called a transfer risk, something which also exists with other participation notes involving cross-border transactions.

Swaps

Swaps involve a particular contracting party risk in that the contracting party may be unable to meet its payment obligations, or may do so only partially or late. Swaps also involve a market risk arising from fluctuations in exchange rates and interest rates. In the case of swaps which convert into foreign currency, there are also exchange rate opportunities and risks. Moreover, these swaps are subject to what is called a transfer risk, something which also exists with other swaps involving cross-border transactions. Credit default swaps may trade differently from the funded securities of the reference entity. In adverse market conditions, the basis (difference between the spread on bonds and the spread on credit default swaps) can be significantly more volatile than funded securities.

Total Return Swaps

TRS expose the Underlying Fund to counterparty risk. In addition, the use of TRS exposes the Underlying Fund to market risk. For example, if the underlying reference asset is an equity, its price may rise or fall. This may have a positive or negative impact on returns subject to whether the Underlying Fund has gained long or short exposure to the reference asset through the total return swap.

Credit default swaps

When these transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Underlying Fund bears a counterparty risk in respect of the protection seller. This risk is, however, mitigated by the fact that the Underlying Fund will only enter into credit default swap transactions with highly rated financial institutions. Credit default swaps ("**CDS**") used for a purpose other than hedging, such as for efficient portfolio management purposes or if disclosed in relation to the Underlying Fund, as part of the principal investment policy, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Underlying Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction. Furthermore, the valuation of CDS may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts. Insofar as the Underlying Fund uses CDS, which are financial derivative instruments, for efficient portfolio management or hedging purposes, investors should note that such instruments are designed to transfer credit exposure of fixed income products between the buyer and seller. The Underlying Fund would typically buy a CDS to protect against the risk of default of an underlying investment, known as the reference entity and would typically sell a CDS for which it receives payment for effectively guaranteeing the creditworthiness of the reference entity to the buyer. In the latter case, the Underlying Fund would incur exposure to the creditworthiness of the reference entity but without any legal recourse to such reference entity. In addition, as with all OTC derivatives, CDS expose the buyer and seller to counterparty risk and the Underlying Fund may suffer losses in the event of a default by the counterparty of its obligations under the transaction and/or disputes as to whether a credit event has occurred, which could mean the Underlying Fund cannot realise the full value of the CDS.

Possible losses in securities option transactions, financial futures contracts, option transactions on financial futures contracts and securities index options.

Securities option dealings, financial futures contracts and option dealings on financial futures contracts and securities index options (option rights and warrants) are all forward exchange transactions.

However, since the possible profits arising from such transactions must be set against high possible losses, the investor must realise that:

• the time-limited rights acquired from forward exchange transactions can collapse or suffer a reduction in value;

• the amount of the possible loss is not known in advance and can exceed any collateral provided;

• it may not be possible, or may only be possible at a loss, to effect dealings through which the risks from forward exchange transactions which have been effected are to be excluded or limited; and

• in addition to the above risks, the exercising of two linked forward exchange transactions involves additional risks which depend on the financial futures contracts/securities index options thus created and may result in a loss far above the original investment in the price paid for the option right or warrant.

FDIs for investment purposes

Using FDIs for investment purposes are generally associated with greater risk than using financial derivative instruments only for hedging or efficient portfolio management purposes and there is a risk of total or significant loss resulting from the use of FDIs for investment purposes. The risks associated with using financial derivative instruments for investment purposes are set out below.

<u>Leverage risk</u>

Investment in FDIs can introduce significant leverage risks and lead to high volatility. This is because typically such instruments require very low margin payment in relation to the amount of underlying exposure, and hence a small price movement in the value of the underlying security may lead to a significant loss or gain on the money actually invested in the FDI. The leverage element/component can even result in a loss significantly greater than the amount invested in the FDI by the Underlying Fund. Exposure to FDIs may lead to a high risk of significant loss by the Underlying Fund.

Directional risk

The Underlying Fund has the power to use derivative transactions for both hedging and/or efficient portfolio management and for pure investment purposes. It should be noted that while FDIs used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When FDIs are used purely for investment purposes, the Underlying Fund will be directly exposed to the risks of the FDI and any gains or losses on the FDI will not be offset by corresponding losses or gains in other assets within the Underlying Fund.

Short selling risk

Although the Underlying Fund does not have the ability to enter into physical short positions of individual securities, it may use FDIs to enter into synthetic short positions. While such positions give the potential for the Underlying Fund to benefit from falling market prices, it also opens the Underlying Fund up to the risk of potentially total loss of the assets of the Underlying Fund until such time as the derivative positions are closed out, as there is no upper limit on the price to which the underlying security may rise.

Counterparty risk

The Underlying Fund may enter into derivative transactions in over-the-counter markets that expose it to the creditworthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the Underlying Fund enters into such derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. The Underlying Fund Investment Manager will seek to minimise such risk by only entering into transactions with counterparties that it believes to have a high credit rating at the time the transaction is entered into, and by ensuring that formal legal agreements covering the terms of the contract are entered into in advance. In certain circumstances however the Underlying Fund Investment Manager may be unable to enforce or rely on rights and obligations arising under such agreements. In the event of bankruptcy or insolvency the Underlying Fund may only have the rights of a general creditor and could therefore experience delays in liquidating the position and may incur significant losses. The Underlying Fund Investment Manager may use one or more counterparties to undertake derivative transactions and may be required to pledge the Underlying Fund's assets as collateral against these transactions. The Underlying Fund Investment Manager will seek to further reduce counterparty risk by settling profits or losses on open contracts on a weekly basis.

Collateral Risk

Although collateral may be taken to mitigate the risk of a counterparty default, there is a risk that the collateral taken, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Please also refer to paragraph "Liquidity risk" below in respect of liquidity risk which may be particularly relevant where collateral takes the form of securities.

Where the Underlying Fund is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral the Underlying Fund places with the counterparty is higher than the cash or investments received by the Underlying Fund.

In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Underlying Fund may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by the Underlying Fund may be held either by the depositary or by a third party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

Legal Risk – OTC Derivatives

There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, the Underlying Fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances.

Reinvestment of collateral risk

Following reinvestment of collateral as defined above, the entirety of the risk considerations set out in this section regarding regular investments apply.

Liquidity risk

A number of the FDIs that the Underlying Fund Investment Manager is likely to use will be traded over-the-counter, rather than on recognised exchanges. There is risk with such investments, that the more bespoke they become and the more complex they become the harder it is to unwind the positions at market prices. However, it is the intention of the Underlying Fund Investment Manager to invest mainly in FDIs which have a liquid underlying investment that is traded on a recognised exchange in order to reduce the exposure to liquidity risk.

Basis risk

Basis risk is the risk of loss due to a divergence in the difference between two rates or prices. There will be occasions where the Underlying Fund will use financial derivative instruments such as sector swaps to hedge out existing market exposure to a particular basket of stocks. Although the underlying constituents of the swap used may be similar to the basket of stocks being hedged against, it is likely that there will be differences in the composition and this may have an adverse impact on the hedging arrangement.

Cash flow risk

With most derivative contracts the counterparty will require the investor to place a margin payment with it at the outset of the contract, and this margin payment will be subject to additional top-ups if and when the market moves against the investor. There is a risk therefore that the Underlying Fund Investment Manager will have insufficient cash in the Underlying Fund to meet the margin calls necessary to sustain its position in a derivative contract. In such circumstances the Underlying Fund Investment Manager will either have to close out the position, or dispose of other assets in the Underlying Fund to raise the required margin call.

Further Information on the Use of FDIs by the Underlying Fund:

The global exposure of the Underlying Fund is currently calculated using the Absolute Value-at-Risk ("**VAR**") Approach as described under the risk-management process of the Jupiter Global Fund (the "**Company**") below.

Risk Management Process

The Company employs a risk-management process which enables it, together with the Underlying Fund Manager, to monitor and measure the value of the Underlying Fund's investment positions and their contribution to the overall risk profile of the Underlying Fund. The risk monitoring process is performed by the Underlying Fund Manager in accordance with the specifications of the directors and with a frequency and methodology appropriate to the risk profile of the Underlying Fund.

The permanent risk management function is the responsibility of the conducting officer in charge of the risk management at the level of the Underlying Fund Manager and is responsible for monitoring the financial risks, paying particular attention to financial derivative instruments and the risks associated therewith.

The Underlying Fund Manager shall calculate the Underlying Fund's global exposure by using the Commitment Approach, the VaR approach or other advanced risk measurement methodologies as may be appropriate. The Underlying Fund must calculate its global exposure on at least a daily basis and the limits on global exposure must be complied with on an ongoing basis.

The Underlying Fund Manager shall, at the same time, ensure that the method selected to measure global exposure is appropriate, taking into account the investment strategy pursued by the Underlying Fund, the types and complexities of the financial derivative instruments used, and the proportion of the Underlying Fund's portfolio which comprises financial derivative instruments. Where the Underlying Fund employs techniques and instruments including repurchase agreements or securities lending transactions in order to generate additional leverage or exposure to market risk, the Underlying Fund Manager shall take these transactions into consideration when calculating global exposure. The selection of the methodology to calculate global exposure should be based on the self-assessment by the Underlying Fund of its risk profile resulting from its investment policy, including its use of financial derivative instruments.

The Underlying Fund Manager updated the risk management policy to integrate the requirements of the Sustainable Finance Disclosure Regulation, in particular to manage sustainability and ESG risks.

Use of the VAR Approach

The Underlying Fund must use an advanced risk measurement methodology (supported by a stress testing program) such as the VaR Approach to calculate global exposure where:

1. it engages in complex investment strategies which represent more than a negligible part of its investment policy;

2. it has more than a negligible exposure to exotic derivatives; and

3. the Commitment Approach doesn't adequately capture the market risk of the portfolio.

As a general rule, the Underlying Fund should use a maximum loss approach to assess whether the complex investment strategy or the use of exotic derivatives represent more than a negligible exposure. Those investment strategies that can be pursued by the Underlying Fund through the use of financial derivative instruments for which the Commitment Approach does not adequately capture the related risks (for instance non-directional risks like volatility risk, gamma risk or basis risk) and/or for which it does not give, with regards to the complexity of the strategy, an adequate and risk sensitive view of the related risks, imply the use of an advanced risk measurement methodology. Some examples of such investment strategies can be:

- hedge fund-like strategies
- option strategies (delta-neutral or volatility strategies)

- arbitrage strategies (interest rate curve, convertible bond arbitrage, etc.)
- complex long/short and/or market neutral strategies
- strategies that use financial derivative instruments to create a highly leveraged investment position

Use of the Commitment Approach

The Underlying Fund must apply the Commitment Approach if it is not using an advanced risk measurement methodology to calculate global exposure. The use of financial derivative instruments for hedging or Efficient Portfolio Management purposes only is characterised by a low implied leverage regardless of the distribution assumptions and extreme event assumptions made and the Underlying Fund Manager will use a simple Commitment Approach, mapping simple financial derivative instruments (for example swaps and futures) to the underlying and using deltas in the case of options.

Since the Underlying Fund will be subject to daily monitoring, the use of Gamma (which measures sensitivity to change in volatility) and Theta (sensitivity to change in time) are considered to be unnecessary. The Underlying Fund should, in principle, use the Commitment Approach (unless it adopts internal Value-At-Risk model, in which case it must meet the requirements set out below, or adopts a different approach, with the prior approval of the CSSF). The total commitment is considered to be the sum of the absolute value of the individual positions, after taking into account netting and cover.

The use of financial derivative instruments for investment purposes as well as for hedging or Efficient Portfolio Management purposes is characterised by high implicit leverage due to high derivative exposure, which may vary significantly with changes in distribution and 'extreme event' assumptions.

In such case, the risk function of the Underlying Fund Manager uses additional quantitative measures, such as the VaR of the portfolio, coupled with ad hoc stress tests and regular back test programs in order to validate the VaR model used.

In practice the risk function of the Underlying Fund Manager monitors the VaR figures on a daily basis with regard to the limits required by the CSSF (being no more than (A) 20% for funds with an absolute return benchmark or (B) a choice of either an absolute VaR of no more than 20% or a specified VaR relative to the benchmark for those funds with an equity index benchmark in accordance with the provisions of CSSF Circular 11/512 and Directive 2009/65/EC, as may be amended or recast from time to time (the "**UCITS Directive**")). The Underlying Fund Manager performs further in depth analysis should any such limit be exceeded.

The quantitative results of exposure coming from the calculation engines system are compared to the various limits set out for the Underlying Fund (whether relative or absolute) and any breach is further investigated and reported to the Underlying Fund Investment Manager for remedial action.

Ad hoc stress tests are also run on a regular basis in order to assess the impacts of low probability events on the Underlying Fund. The results of these stress tests scenarios are reported to the Company and the Underlying Fund Investment Manager. Similarly, in order to validate the VaR model used, back test programs are run on a regular basis and the results are also reported to the Company and the Underlying Fund Investment Manager.

You may obtain supplementary information relating to the risk management methods employed by the Underlying Fund, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the Underlying Fund, by making a request to the Managers.

9.3.7 **Fixed Income Instrument Risk**: Comparatively, the bond market has been less vulnerable to price swings or volatility than other investment products as most bonds pay investors a fixed rate of interest income that is also backed by a promise from the issuer. Apart from the general investment risks, there are also risks which arise from investing in bonds and these include the interest rate risk (bond prices usually fall when the interest rate rises); inflation risk (this usually reduces the purchasing power of a bond) and market risk (the risk that the bond market as a whole would decline).

Credit/counterparty risk

The Underlying Fund is exposed to the credit/default risk of the issuers of the fixed-income securities that the Underlying Fund may invest in. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, making it more difficult to sell. The Underlying Fund investment is also subject to the risk that issuers may not make timely payments on principal and/or interests of the securities they issue. If the issuers of any of the securities in which the Underlying Fund's assets are invested default, the performance of the Underlying Fund will be adversely affected. The fixed-income securities that the Underlying Fund invests in may be offered on an unsecured basis without collateral. In such circumstances, the Underlying Fund will rank equally with other unsecured creditors of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of the relevant fixed-income instrument issued by it only after all secured claims have been satisfied in full. The Underlying Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Credit ratings risk

The ratings of fixed-income securities by credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The rating of an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer' ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

Credit rating downgrading risk

The credit rating assigned to a security or an issuer may be re-evaluated and updated based on recent market events or specific developments. As a result, securities may be subject to the risk of being downgraded. Similarly, an issuer having a certain rating may be downgraded, for example, as a result of deterioration of its financial condition. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Underlying Fund's investment value in such security may be adversely affected. Where a security held in the Underlying Fund's portfolio is downgraded, this will trigger a review of the reasons for the downgrade, which may be independent of the economic fundamentals of the instrument. Holdings are assessed on a case-by-case basis at the point of downgrade and a decision made on whether the downgrade represents a reason to discontinue holding the security. All holdings are monitored on an ongoing basis. The Underlying Fund Investment Manager may or may not be able to dispose of the securities that are being downgraded, subject to the investment objectives of the Underlying Fund. In the event of investment grade securities being downgraded to below investment grade and such securities continuing to be held by the Underlying Fund, the Underlying Fund will also be subject to the below investment grade securities risk outlined in the following paragraph. In the event that the downgrade of a security triggers the breach of an investment limit disclosed in the investment policy of the Underlying Fund, the Underlying Fund Investment Manager will seek to remedy that situation by selling securities taking due account of the interests of its shareholders.

Below investment grade and unrated securities risk

The Underlying Fund may invest in securities which are below investment grade or which are unrated. In the event of no ratings coverage, internal ratings (aiming to assign a note equivalent to a rating of a recognised credit rating agency) from a credit screening process performed by the investment team are used for internal purposes only to enable management in compliance with investment restrictions (where applicable). The core objective of the screening is to identify issuers at risk of default. All holdings are monitored on an ongoing basis.

Investors should note that securities which are below investment grade or which are unrated would generally be considered to have a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities and may be subject to greater fluctuation in value and higher chance of default and greater risk of loss of principal and interest. If the issuer of securities defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the Underlying Fund's prices may be more volatile.

The value of lower-rated or unrated corporate bonds may be affected by investors' perceptions. When economic conditions appear to be deteriorating, below investment grade or unrated corporate fixed-income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Distressed securities

Securities issued by an issuer that is in default, or in a high risk of default, or the subject of bankruptcy proceedings are considered distressed securities. Investment in these types of securities involve significant risk. The Underlying Fund's investment in securities of an issuer in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Distressed securities frequently do not produce income while they are outstanding and may require the holders to bear certain extraordinary expenses in order to protect and cover its holding. Typically, an investment in distressed securities will be made when the Underlying Fund Investment Manager believes either that the security is offered at a materially different level from what the Underlying Fund Investment Manager believes to be its fair value, or that it is reasonably likely that the issuer will make an exchange offer or will be subject to a plan of reorganisation, however, there can be no assurance that such an exchange offer will be made, or such a plan of reorganisation will be adopted, or any securities or other assets received in connection with such an exchange offer or reorganisation plan will not have a lower value or income potential than anticipated when the initial investment was made.

Before investing in high yield bonds and on an ongoing basis, the Underlying Fund Investment Manager will analyse whether such bonds are to be considered as distressed securities (or not) as per the definition contained in the first sentence of the first paragraph of this section and will ensure compliance with the investment policy of the Underlying Fund.

Interest rate risks

Price changes in fixed-income securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Investment in the Underlying Fund is subject to interest rate risk. In general, the prices of fixed-income securities 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 fixed-income securities. In general, fixed-interest securities with shorter terms have less price risks than fixed-income securities with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs.

Valuation risk

Valuation of the Underlying Fund’s investments in fixed-income securities may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations are proven to be incorrect, the net asset value of the the Underlying Fund may be adversely affected.

The value of fixed-income securities may be affected by changing market conditions or other significant market events affecting valuation. For example, in the event of downgrading of an issuer, the value of the relevant fixed-income securities may decline rapidly.

In particular, the value of lower-rated or unrated fixed-income securities issued by corporations or financial institutions of lower credit ratings is affected by investors’ perceptions. When economic conditions appear to be deteriorating, or where an adverse event happens to the issuer, lower rated or unrated fixed-income securities issued by corporations or financial institutions of lower credit ratings may decline in market value due to investors’ heightened concerns and perceptions over credit quality.

Fixed-income securities without regular interest payments and zero bonds risk

Particular attention must be paid to observing the credit worthiness and assessing the issuer of interest-bearing securities without regular interest payments and zero bonds. In times of climbing capital market interest rates, it may be difficult to trade in such bonds, particularly because of their comparatively long term and the absence of continual interest payments.

Liquidity risk

In difficult market conditions, reduced liquidity in bond markets may make it harder for the manager to sell assets at the quoted price. This could have a negative impact on the value of your investment. In extreme market conditions, certain assets may become hard to sell in a timely manner or at a fair price. This could affect the Underlying Fund’s ability to meet investors’ redemption requests upon demand.

Risks of investing in convertible bonds

Investments in convertible bonds are subject to the same interest rate, credit and prepayment risks linked to ordinary corporate bonds. Convertible bonds are corporate bonds with an option that allows an investor to convert the bond into shares at a given price at specified times during the life of the convertible bond. This ability to convert allows the investor to benefit directly from the company’s success should its share price rise, while also offering the regular income of a conventional corporate bond investment. This exposure to equity movements can lead to more volatility than could be expected from a comparable conventional corporate bond.

Contingent convertible bonds risks

Contingent convertible bonds, also known as "**CoCos**", are bonds which can, upon the occurrence of a predetermined event (commonly called a "trigger event"), be converted into equity shares of the issuer, potentially at a discounted price, or suffer loss of principal by the issuer decreasing the face value of the bond (trigger level risk). CoCos are generally issued with high yields and are utilised by an issuer as loss absorption instruments. They have no stated maturity, and coupon payments are discretionary. CoCos can be converted or cancelled at the discretion of the issuer or at the request of a regulatory authority in order for losses to be contained (cancellation risk).

Trigger events can vary widely and include events such as an issuer’s capital ratio falling below a pre-set limit, a regulatory authority making a determination that an issuer is "non-viable", or a national authority deciding to inject capital. Trigger events can also be initiated by the management of the issuer which could cause a permanent write-down to zero of principal investment and/or accrued interest (write-down risk). Each CoCo will have its own unique equity conversion or principal write-down features which are tailored to the issuer and it regulatory requirements and can vary widely from bond to bond.

The value of CoCos will be influenced by many factors including (but not limited to):

- the creditworthiness of the issuer and/or fluctuations in such issuer’s applicable capital ratios;
- demand and availability of the CoCo;
- general market conditions and available liquidity, especially those in emerging countries (liquidity risk);
- economic, financial and political events that could affect the issuer, its market, or the financial markets in general.

The investments in CoCos may also entail the following risks (non-exhaustive list):

- *Valuation risk*: the value of CoCos may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, the Underlying Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.
- *Call extension risk*: some CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.
- *Capital structure inversion risk*: contrary to classical capital hierarchy, CoCos' investors may suffer a loss of capital when equity holders do not.
- *Conversion risk*: it might be difficult for the Investment Manager to assess how the securities will behave upon conversion. In case of conversion into equity, the Underlying Fund Investment Manager might be forced to sell these new equity shares since the investment policy of the Underlying Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.
- *Unknown risk*: the structure of CoCos is innovative yet untested.
- *Industry concentration risk*: investment in CoCos may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.

*Asset-Backed Securities (“**ABS**”) and Mortgage-Backed Securities (“**MBS**”)*

The Underlying 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 debt securities such as government issued bonds.

ABS and MBS 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. ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cashflows 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.

High yield bond risk

A significant proportion of the Underlying Fund may be invested in high yield bonds (a type of fixed interest security). These bonds often offer a higher income than bonds which are highly rated by a credit rating agency, however, they also carry a greater risk of not being able to pay the income as promised or return the capital used to purchase the bond. This can lead to the value of shares falling. Changing market conditions and interest rate levels can also have a larger impact on the value of these bonds compared to other bonds.

There is a risk that the ratings of higher yielding assets, such as investment grade bonds and other fixed interest securities, held in the Underlying Fund may be downgraded at any time. This may affect the value of the relevant securities which may in turn affect the prices of the Underlying Fund.

Catastrophe bond risk

Catastrophe bonds are bonds which may lose part or all of their value in case a trigger event occurs (i.e. natural disasters or financial or economic failures).

Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Underlying Fund’s losses on investments in such catastrophe bonds could be material. Any climatic or other event might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes).

The loss amount is limited to the capital invested and is defined in the terms of the bond and may be based on losses to a company or industry, modelled losses to a notional portfolio, industry indices, readings of scientific instruments or certain other parameters associated with a catastrophe rather than actual losses. The modelling used to calculate the probability of a trigger event may not be accurate or may underestimate the likelihood of the trigger event occurring which may increase the risk of loss.

Catastrophe bonds may provide for extensions of maturity which may increase volatility and may be rated by credit ratings agencies on the basis of how likely it is that the trigger event will occur. While catastrophe bonds may offer a higher income, they have typically have a below investment grade credit rating (or considered equivalent if they are unrated).

9.3.8 **Natural Disasters and Pandemic Risks**: Natural or environmental disasters (such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally) and widespread disease (including pandemics and epidemics) have been and can be highly disruptive to economies and markets. They can adversely impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Underlying Fund's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Underlying Fund from executing advantageous investment decisions in a timely manner and could negatively impact the Underlying Funds' ability to achieve their respective investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the Underlying Fund.

9.3.9 **Swing Pricing:** With net subscriptions or redemptions the associated investment and/or disinvestment costs for the underlying investment portfolio of the Underlying Fund may have an adverse effect on its shareholders' interests. In order to mitigate this effect, commonly referred to as 'dilution', the directors of the Company have discretion to apply a 'dilution adjustment' to subscriptions and / or redemptions of shares (the "**Dilution Adjustment**"). This power has been delegated to the Underlying Fund Investment Manager.

If applied, the Dilution Adjustment will be paid into the relevant the Underlying Fund and will become part of the assets of the Underlying Fund for the benefit of its shareholders.

The need to make a Dilution Adjustment will depend on the volume of net subscriptions or redemptions. The Underlying Fund Investment Manager may make a discretionary Dilution Adjustment if, in its opinion, its existing shareholders (prior to subscriptions) or remaining shareholders (following redemptions) are likely to be adversely affected. In particular, a Dilution Adjustment may be made by the Underlying Fund Investment Manager in the following circumstances:

- where the Underlying Fund is, in the opinion of the Underlying Fund Investment Manager, experiencing a period of continued decline;
- where the Underlying Fund is, in the opinion of the Underlying Fund Investment Manager, experiencing a period of continued expansion;
- where the Underlying Fund experiences a level of net redemptions or net subscriptions on any valuation day which exceeds the threshold determined by the Underlying Fund Investment Manager for the Underlying Fund; or
- in any other case where the Underlying Fund Investment Manager is of the opinion that the interests of its shareholders require the imposition of a Dilution Adjustment.

Where a Dilution Adjustment is made, it will increase the subscription price when there are net inflows into the Underlying Fund or decrease the redemption price when there are net outflows.

The price of each class in the Underlying Fund will be calculated separately but any Dilution Adjustment will affect the price of shares of each class of the Underlying Fund identically, up to a maximum of 2%.

In circumstances when the Underlying Fund Investment Manager elects not to apply a Dilution Adjustment there may be an adverse impact on the total assets of the Underlying Fund as a result of net subscriptions or redemptions. As dilution is directly related to the value of inflows and outflows of money from the Underlying Fund, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Underlying Fund Investment Manager will need to impose a Dilution Adjustment.

Because the Dilution Adjustment for the Underlying Fund will be calculated by reference to the costs of dealing in the underlying investments of the Underlying Fund, including any dealing spreads (which can vary with market conditions), the amount of any Dilution Adjustment applicable to the Underlying Fund will vary over time.

The Dilution Adjustment is applied on the capital activity at the level of the Underlying Fund and does not address the specific circumstances of each individual investor transaction.

In applying a Dilution Adjustment, the Underlying Fund Investment Manager must use the following basis of valuation:

- When, by reference to any valuation point, the aggregate value of the shares of all classes of the Underlying Fund issued exceeds the aggregate value of shares of all classes cancelled, any adjustment must be upwards. The Dilution Adjustment must not exceed the Underlying Fund Investment Manager’s reasonable estimate of the difference between what the subscription price or redemption price would have been had the Dilution Adjustment not been taken into account and what the subscription price or redemption price would have been if the assets of the Underlying Fund had been valued on the best available market offered basis (plus dealing costs); or

- When, by reference to any valuation point, the aggregate value of the shares of all classes of the Underlying Fund redeemed exceeds the aggregate value of shares of all classes issued, any adjustment must be downwards. The Dilution Adjustment must not exceed the Underlying Fund Investment Manager’s reasonable estimate of the difference between what the price would have been had the Dilution Adjustment not been taken into account and what the price would have been if the assets of the Fund had been valued on the best available market bid basis (less dealing costs).

9.3.10 China Interbank Bond Market ("CIBM") and Bond Connect

Risks associated with the CIBM and Bond Connect

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in significant fluctuations in the prices of these securities. The Underlying Fund investing in the CIBM is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such debt securities may be large, and the Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such debt securities.

To the extent that the Underlying Fund transacts in the CIBM, the Underlying Fund may also be exposed to risks associated with settlement procedures and counterparty default. The counterparty which has entered into a transaction with the Underlying Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

More specifically, risks associated with CIBM and Bond Connect include:

• **Risk of default** – for investments made via Bond Connect, the relevant filings, registration with the People's Bank of China ("**PBOC**") and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Underlying Fund is subject to the risks of default or errors on the part of such third parties.

A failure or delay by the Central Moneymakets Unit ("**CMU**") in the performance of its obligations may result in a failure of settlement, or the loss, of Bond Connect securities and/or money in connection with them and the Underlying Fund and its unitholders may suffer losses as a result. Neither the Underlying Fund nor the Underlying Fund Investment Manager shall be responsible or liable for any such losses.

• **Systems Risk** - trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market.

In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Underlying Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Underlying Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

• **Clearing and Settlement Risk** - Trading in securities through Bond Connect may be subject to clearing and settlement risk. The CMU have established the clearing links with the China Securities Depository & Clearing Co., Ltd ("**CSDC**") and the Shanghai Clearing House (“**SHCH**”) respectively and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades.

For cross-boundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central securities depositories of the PRC’s securities market, both the CSDC and the SHCH operate a comprehensive network of clearing, settlement and bond holding infrastructure. Both the CSDC and the SHCH have established a risk management framework and measures that are approved and supervised by the PBOC. The chances of the CSDC or the SHCH defaulting are considered to be remote. In the remote event of a CSDC/SHCH default, the CMU’s liabilities in Bond Connect bonds under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDC or the SHCH. The CMU should in good faith, seek recovery of the outstanding bonds and monies from the CSDC or the SHCH through available legal channels or through the CSDC/SHCH’s liquidation. In that event, the Underlying Fund may suffer delay in the recovery process or may not fully recover its losses from the CSDC or the SHCH.

• **Regulatory Risk** - investing in the CIBM is subject to regulatory risks as the relevant rules and regulations on investment in the CIBM are subject to change, which may have potential retrospective effects. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Underlying Fund’s ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Underlying Fund may suffer substantial losses as a result. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in the Underlying Fund could also be affected.

Investing via Bond Connect, specifically, is also subject to regulatory risks as it is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to changes which may have potential retrospective effects and there can be no assurance that Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross border trades under Bond Connect. The Underlying Fund may be adversely affected as a result of such changes, or the abolition of Bond Connect.

Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates.

Consequently, the price and the yield of the bonds held in the Underlying Fund could also be affected.

• **Not protected by Investor Compensation Fund** - any trading under Bond Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors (such as the Underlying Fund) will not benefit from compensation under such schemes.

• **Difference in trading day and trading hours** - due to differences in public holidays between Hong Kong and Mainland China or for other reasons such as bad weather conditions, there may be a difference in trading hours on the CIBM and the CMU.

Bond Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any Bond Connect securities trading in Hong Kong.

• **Trading costs** - in addition to paying trading fees and other expenses in connection with Bond Connect securities trading, The Underlying Fund carrying out Northbound trading via Bond Connect may be subject to portfolio fees, dividend tax and tax concerned with income arising from transfers, which would be determined by the relevant authorities.

• **Conversion risk** - Northbound investments by the Underlying Fund in the Bond Connect securities will be traded and settled in renminbi ("**RMB**") The Underlying Fund, whose base currency is not RMB, may be exposed to currency risk. During any such conversion, the Underlying Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the Underlying Fund may incur a loss when it converts the sale proceeds of CIBM bonds into its base currency.

• **PRC tax risks in relation to Bond Connect Securities** - the PRC Ministry of Finance confirmed a three year exemption from corporate income tax and value added tax on any interest income derived by foreign institutional investors via Bond Connect Securities. This exemption applies for any interest income received from 7 November 2018 to 6 November 2021. For the avoidance of doubt, the foregoing is not intended as tax advice.

9.3.11 Underlying Funds

The Underlying Fund Investment Manager may not always be provided with detailed information regarding all of the investments made by underlying funds because certain of this information may be considered proprietary information by the managers of those underlying funds. This potential lack of access to information may make it more difficult for the Underlying Fund Investment Manager to select, allocate among and evaluate individual fund managers. Notwithstanding the above, the Underlying Fund Investment Manager will act in the best interests of the shareholders in selecting the underlying funds and monitoring the performance of the underlying funds on a continuous basis.

Despite the due diligence procedures which will be used to select and monitor the individual underlying funds in which the assets of the Underlying Fund will be invested, there can be no assurance that past performance information in relation thereto will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future.

Although the Underlying Fund Investment Manager will seek to monitor the investments and trading activities of the underlying funds in which the Underlying Fund has invested, investment decisions will normally be made independently at the level of such underlying funds and it is possible that some managers will take positions in the same security or in issues of the same industry or country at the same time.

Consequently, the Underlying Fund may be concentrated in a particular industry or country. The possibility also exists that one underlying fund may purchase an instrument at about the same time as another underlying fund decides to sell it. There can be no guarantee that the selection of the managers will actually result in a diversification of investment styles and that the positions taken by the underlying funds will always be consistent. These factors may have an adverse impact on the Underlying Fund and its investors.

Potential investors must be aware that underlying funds will be subject to management fees and other additional costs and expenses. As a result, shareholders may suffer management fees and expenses incurred both at the level of the Company and the underlying funds in which the Company invests.

There may also be a duplication of subscription and/or redemption fees, provided that where the Underlying Fund invests in schemes managed by the Underlying Fund Manager, the Underlying Fund Investment Manager or their connected persons, all initial charges on the Underlying Funds must be waived. In addition, the Underling Fund Manager and the Underlying Fund Investment Manager may not benefit from a rebate on any fees or charges levied by an underlying fund or its investment manager.

Furthermore, there can be no assurance that the liquidity of the underlying funds will always be sufficient to meet redemption request. In particular, the underlying funds may impose redemption gates in certain situations, which means that the underlying funds may not always be able to satisfy redemption requests from the Underlying Fund as and when made. Also, there is no assurance that the valuation of the underlying funds will be carried out on a daily basis and there may be difficulties in valuing the relevant underlying funds held by the Underlying Fund. These factors may have an adverse impact on the Underlying Fund and its investors.

9.3.12 Investment in ETFs

An underlying ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The manager of the underlying ETF will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the index. The trading prices of units/shares in an underlying ETF may differ significantly from the net asset value of the units/shares of such underlying ETF due to, disruptions to creations and realisations (for example, as a result of imposition of capital controls by a foreign government) and supply and demand forces in the secondary trading market for units/shares in the underlying ETF. In addition, factors such as fees and expenses of an underlying ETF, imperfect correlation between the underlying ETF's assets and the underlying securities within the relevant tracking index, rounding of share prices, adjustments to the tracking index and regulatory policies may affect the ability of the manager of an underlying ETF to achieve close correlation with the tracking index for the relevant underlying ETF. An underlying ETF's returns may therefore deviate from that of its tracking index.

An underlying ETF is passively managed and the manager of the underlying ETF will not have the discretion to adapt to market changes due to the inherent investment nature of the underlying ETF. Falls in the index are expected to result in corresponding falls in the value of the underlying ETF. There can be no assurance that an active trading market will exist or be maintained for units/shares of an underlying ETF on any securities exchange on which units/shares of an underlying ETF may trade. The units/shares of the underlying ETFs which the Underlying Fund may invest in may be traded at large discounts or premiums to their net asset value. These factors may have an adverse impact on the NAV of the Underlying Fund.

9.3.13 Environmental, Social and Governance ("ESG") Investment Risk

ESG investments are selected or excluded on both financial and non-financial criteria. The Underlying Fund may underperform the broader equity market or other funds that do not utilize ESG criteria when selecting investments. The Underlying Fund may sell a stock for reasons related to ESG, rather than solely on financial considerations. ESG investing is to a degree subjective and there is no assurance that all investments made by the Underlying Fund will reflect the beliefs or values of any particular investor. Investments in securities deemed to be 'sustainable' may or may not carry additional or lesser risks.

ESG Assessment Risk

In evaluating an investment based on ESG criteria, the Underlying Fund Investment Manager may depend upon publicly available information and data, which may be incomplete, inaccurate, inconsistent or unavailable.

Therefore, there is a risk that the Underlying Fund Investment Manager may incorrectly assess an investment. There is also a risk that the Underlying Fund Investment Manager may not apply the relevant ESG criteria correctly or that the Underlying Fund may gain limited exposure (through, including but not limited to, investment trusts, REITs and cash or near cash (including treasury bills or money market funds)) to investments which may not be consistent with the relevant ESG criteria used by the Underlying Fund.

Sustainability Risk

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of the Underlying Fund's investment.

Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly on risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on ESG data, which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the assessment of this data will produce relevant conclusions.

9.3.14 Risk applicable to investing in China

Investing in equities and/or debt of companies with substantial assets in or revenues derived from China involves special considerations and certain risks not typically associated with more developed markets or economies. The risks inherent in Greater China can generally be expected to result in increased volatility in the shares of companies in Greater China and portfolios which invest in them when compared to their counterparts in developed markets. Investment companies investing in China generally can be expected to display greater share price and NAV volatility than those investing in developed markets.

The Underlying Fund's investments are subject to country specific risk factors due to the concentrated strategy of investment in companies that derive a significant share of their business from activities within the PRC:

Legal risk

The legal system of the PRC is based on the PRC Constitution and is made up of written laws, regulations, circulars and directives which may not afford the Company the same level of certainty in relation to matters such as contracts and disputes as may be available in more developed markets. Accordingly, in such circumstances the returns to the Underlying Fund may be materially and adversely affected.

Changes in government policies and the regulatory environment

Certain investments of the Underlying Fund may be subject to PRC laws and regulations and policies implemented by the PRC government from time to time. PRC government policies may have a material impact on the industries in which the Fund invests. If any company in which the Underlying Fund invests should become subject to any form of negative governmental control, there could be a material adverse effect on the value of the Underlying Fund's investments.

The PRC government is still in the process of developing its legal system, so as to meet the needs of investors and to encourage foreign investment. As the PRC economy is developing generally at a faster pace than its legal system, some degree of uncertainty exists in the application of the existing laws and regulations to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still at the experimental stage and are therefore subject to policy changes. Furthermore, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and court decisions in the PRC are not binding on lower courts. Accordingly, the outcome of dispute resolutions may not be as consistent or predictable as in other more developed jurisdictions. It may also be difficult to obtain swift and equitable enforcement of the laws in the PRC or the enforcement of a judgement by a court of another jurisdiction. The Company recognises that making investments in PRC companies entails certain ambiguities and risks. The lack of consistency and predictability in the outcome of dispute resolutions, the lack of certainty in the interpretation, implementation and enforcement of the PRC laws and regulations and political system, may affect returns to Shareholders.

Economic considerations

The PRC has a long history of pre-planned economic policy and is subject to one, five and 10 year plans formulated by the PRC government. In recent years, the PRC government has introduced various economic reforms aimed at transforming the PRC economy from a planned economy into a market economy with socialist characteristics. These economic reforms allow greater utilisation of market forces in the allocation of resources and greater autonomy for enterprises in their operations. However, many rules and regulations implemented by the PRC government are still at an early stage of development, and further refinements and amendments are necessary to enable the economic system to develop into a more sophisticated form. Further, there can be no assurance that such measures will be applied consistently and effectively or that the Fund's investment returns will not be adversely affected by such reforms. The PRC government has only recently encouraged substantial private economic activity and there can be no assurance that the PRC government's pursuit of economic reforms will be consistent or effective. However, it is considered that the PRC's admittance into the World Trade Organisation will encourage the PRC government to continue to pursue its current strategy of encouraging private economic activity. Many of the reforms are unprecedented or in an experimental stage and are expected to be refined and modified in order to enable the economic system to develop into a more sophisticated form. There is no assurance that the continued introduction of such reforms will not have a material and adverse effect on the returns on the Underlying Fund's investments. In addition, the economy of the PRC differs from the economies of most developed countries in many respects, including the amount of governmental involvement, the level of development, the growth rate, the controls on foreign exchange and allocation of resources. The economy of the PRC has experienced significant and consistent growth in the past 20 years but growth has been uneven both geographically and among various sectors of the economy. Economic growth has been accompanied by a period of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

Devaluation or appreciation in the value of the RMBi, restrictions on convertibility of the Renminbi and exchange control restrictions in the PRC

The RMB is currently not freely convertible and is subject to exchange controls and restrictions.

The external value of the RMB is subject to changes in policies of the PRC government and to international economic and political developments. There is therefore a risk that fluctuations in the RMB exchange rate may be experienced exposing non-RMB based investors to foreign exchange risk. There is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any large movement in the value of the RMB could have an adverse effect on the Underlying Fund’s portfolio of Chinese investments and the value of investments investing in the Underlying Fund.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

High market volatility and potential settlement difficulties in the equity market in the PRC may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Underlying Fund.

Tax uncertainty

Tax laws and regulations in China are under constant development and often subject to change as a result of changing government policy. Such changes may occur without sufficient warning. There is a risk that changes in tax policy and regulations may adversely affect the Underlying Fund's return on investments.

Increased brokerage commissions and transaction charges

Brokerage commissions and other transaction costs and custody fees are generally higher in China than they are in Western securities markets.

The above is not an exhaustive list of the risks which you should consider before investing in the Fund. You should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

10. SUBSCRIPTION OF UNITS

10.1 How to purchase Units

10.1.1 Cash subscriptions

You may apply to subscribe for Units by submitting a completed application form, together with such other documents as may be required by, and the subscription monies in full to, the Managers through their approved distributors.

10.1.2 Subscriptions through use of Supplementary Retirement Scheme (“**SRS**”) monies

Subject to the applicable terms and conditions imposed by the relevant SRS operator and any relevant competent authority, if you wish to subscribe for Units with your SRS monies, you will have to give a written authorisation to the relevant SRS operator for monies to be withdrawn from your SRS account to pay for the subscription of Units. Currently, only the SGD Hedged Class Units are available for subscription using SRS monies. The SGD Hedged (Acc) Class Units will be available for subscription using SRS monies after it is incepted.

10.1.3 Subscriptions through the internet

The Managers may, at their absolute discretion, offer Units through the internet subject to applicable laws, regulations, practice directions and other requirements by the relevant authorities. By making an electronic online application for the subscription of Units on or through the website of any distributor in Singapore which the Managers may, after giving notice to the Trustee, appoint for the purpose of this paragraph (the "**Relevant Participating Distributor**"), or by an application form printed from such a website, you confirm:

(a) you have obtained a copy of this Prospectus and have read and understood its contents;

(b) you are making the application for the subscription of Units while being present in Singapore; and

(c) your permission to the Relevant Participating Distributor to disclose relevant particulars of your account to the Relevant Persons and neither the Managers nor the Trustee shall be liable to you for the consequences of any such disclosure.

During any period when the issue of Units is suspended pursuant to paragraph 14 of this Prospectus, the application for subscription of Units through the internet will also be suspended. Any charges to be imposed by the Managers or the Relevant Participating Distributor in connection with your application for the subscription of Units through the internet will be borne by you and such charges shall not be taken out of the Deposited Property (as defined in the Deed) or form part of the Initial Sales Charge. The Managers will provide you with hard copies of this Prospectus, the Deed and any supplemental deed for the time being in force upon your request. However, the Managers may levy a charge for providing you with a copy of the Deed and any such supplemental deed.

For the purposes of this paragraph 10.1.3, "**Relevant Persons**" means the Managers, the Trustee, the relevant authorities and any other person to whom the Relevant Participating Distributors deem it necessary to give, divulge or reveal information about your bank account, for the purpose of an application for Units via the internet.

10.1.4 Institutional investors

In respect of institutional investors, an application form may also be obtained directly from the Managers and, once duly completed, forwarded to the Managers, together with the subscription monies in respect of the application for Units.

10.2 **Minimum initial investment and minimum subsequent investment**

	Minimum initial investment*	Minimum subsequent investment*
SGD Hedged Class	S$1,000	S$100
SGD Hedged (Acc) Class	S$1,000	S$100
USD Hedged Class	US$1,000	US$100
AUD Hedged Class	AU$1,000	AU$100
EUR Class	EUR 1,000	EUR 100

***** or such other amount as the Managers may determine from time to time upon giving prior notice to the Trustee.

10.3 **Initial offer period and initial issue price**

	Initial issue price per Unit
SGD Hedged (Acc) Class	S$1.000
AUD Hedged Class	AU$1.000
EUR Class	EUR 1.000

The initial offer periods for the SGD Hedged (Acc) Class, the AUD Hedged Class and the EUR Class will each be for such period and at such time as the Managers may decide from time to time upon notification to the Trustee and as at the date of registration of this Prospectus, each such initial offer period is expected to be within the next 6 to 12 months.

10.4 **Minimum size and other conditions**

The Managers reserve the right not to proceed with the launch of the SGD Hedged (Acc) Class, the AUD Hedged Class and/or the EUR Class if:

(i) the capital raised for the relevant Class as at the close of the initial offer period for that Class is less than S$10 million or its equivalent; or

(ii) the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the relevant Class(es).

In such event, the Managers may at their discretion declare the relevant Class(es) to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the initial offer period for the relevant Class(es).

10.5 **Pricing and Dealing Deadline**

Following the close of the initial offer period for a Class, the issue price per Unit ("**Issue Price**") of that Class on any Dealing Day[6] will be calculated based on forward pricing and shall be the price per Unit ascertained by the Managers by determining the Value[7] as at the Valuation Point[8] in relation to the relevant Dealing Day of the proportion of the Deposited Property attributable to the relevant Class, and by dividing such Value by the number of Units of that Class in issue or deemed to be in issue as of that Valuation Point and rounding such amount to the nearest 3 decimal places or such other number of decimal places or such other method of rounding as the Managers may from time to time determine after consulting with the Trustee. The Managers shall be entitled to convert the Issue Price to any other applicable currency at the prevailing rate of exchange. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Issue Price, and the Trustee shall determine if the Holders should be informed of such changes.

The dealing deadline is, in relation to any Dealing Day, currently 5 p.m. (Singapore time) on the said Dealing Day (the "**Dealing Deadline**") but this may be changed subsequently to any other time of the day by the Managers with the approval of the Trustee. This means that if an application is received and accepted by the Managers by the Dealing Deadline on any Dealing Day, the price will be based on the Value of the Fund for that Dealing Day. If an application is received and accepted by the Managers after the Dealing Deadline on that Dealing Day or on a day not being a Dealing Day, it shall be deemed to be received and accepted by the Managers only on the immediately following Dealing Day. The Issue Price will be determined only on the Business Day following the Dealing Day.

10.6 **How the number of Units is allotted**

The number of Units you will be issued is determined by dividing the gross investment sum paid by you (less the Initial Sales Charge) by the Issue Price per Unit, and then rounding the number of Units to the nearest 2 decimal places (or such other number of decimal places or such other method of rounding as the Managers may from time to time determine with the approval of the Trustee).

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[6] "**Dealing Day**" in relation to the subscription and realisation of Units of the Fund or any Class, means a Business Day or such other day as provided in the Deed.

[7] "**Value**" means with reference to any Deposited Property or any part thereof, or with reference to any investment comprised or to be comprised in any Deposited Property, its NAV or its value respectively as determined in accordance with paragraph 20.4.

[8] "**Valuation Point**" means the close of business of the last market relevant to the Fund on a Dealing Day or such other time as the Managers with the prior approval of the Trustee may from time to time determine, and the Trustee shall determine if the Holders should be informed of such change and the Managers shall notify the Holders of such change if required by the Trustee.

The following is an illustration of the number of Units that you will receive based on a hypothetical investment amount of $1,000* and a notional Issue Price[9] of $1.000**:

$1,000* -	$50.00	=	$950.00	÷	$1.000**	=	950.00
Gross Investment Sum	Initial Sales Charge*** (5.00%)		Net Investment Sum		Issue Price (i.e. NAV per Unit)		Number of Units

* This sum is used for the purposes of illustration only, and the actual investment sum for a Class may be of a different amount.

** The actual Issue Price of a Class will fluctuate according to the NAV of the relevant Class and may be affected by Swing Pricing as described in paragraph 20.10.

*** The maximum Initial Sales Charge currently payable is 5.00%.

N.B.: All numerical figures used for the purpose of this illustration are hypothetical.

Where a Unit is to be issued to an applicant resident outside Singapore and additional expenses are incurred which would not have been incurred if such applicant had been resident in Singapore (the "**overseas expense**"), the overseas expense may be deducted out of the investment sum in addition to the Initial Sales Charge.

10.7 **Confirmation of purchase**

If your application is successful, a trade confirmation will normally be sent to you within 7 Business Days of the Managers' receipt of your application.

10.8 **Issue of Units**

The Managers have the exclusive right to effect the creation and issue of Units and the acceptance or non-acceptance of applications for purchase of Units are at the absolute discretion of the Managers acting in consultation with the Trustee and in the best interest of the Fund. If your application is rejected by the Managers, the subscription monies will be refunded (without interest) to you or (where applicable) the relevant SRS operator within a reasonable period of time in such manner as the Managers may determine.

No certificates will be issued by the Managers in respect of Units issued.

[9] You should note that the Issue Price of Units of the Fund may be calculated based on the "swung" price of the Underlying Fund. Please refer to paragraph 9.3.9 for more information on the swing pricing used by the Underlying Fund.

10.9 Cancellation of Units

Subject to the provisions of the Deed and to the terms and conditions for cancellation of Units in the application form for Units, you may cancel your subscription for Units in the relevant Class by giving written notice to the Managers through the approved distributor(s) from whom you purchased your Units within 7 calendar days from the date of subscription or purchase of the Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority). Any Initial Sales Charge paid by you will be refunded to you. However, you will have to take the risk for any price changes in the NAV of the relevant Class since you purchased the Units. The cancellation proceeds will be paid within 7 Business Days after the relevant Dealing Day on which the cancellation request is received or within such other time as may be permitted by the Authority unless cancellation of Units has been suspended in accordance with the Deed.

10.10 Regular Savings Plan

The approved distributors of the Managers may in their absolute discretion make available a Regular Savings Plan ("**RSP**") for any Class. Currently, a RSP is only available in respect of SGD Hedged Class Units and SGD Hedged (Acc) Class Units.

You may apply for the SGD Hedged Class Units and SGD Hedged (Acc) Class Units through a RSP upon satisfying the minimum initial investment amount applicable to the SGD Hedged Class Units and SGD Hedged (Acc) Class Units. The current minimum monthly contribution for the RSP is S$100.

The monthly contribution for the RSP will be deducted from your bank account or SRS account (as the case may be) on the 10th day of each month (or the next Business Day if that day is not a Business Day). Units will normally be allotted within 2 Business Days after the date on which the monthly contribution is deducted, but this may be exceeded in the case of Units purchased through the Managers' approved distributors or when Units are purchased using SRS monies.

If the deduction of these contributions is unsuccessful, no investment will be made for that month. No notification relating to the unsuccessful deduction will be sent to you. After 2 consecutive unsuccessful deductions, the RSP will be terminated and no notification of such termination will be sent to you.

You may terminate your participation in the RSP without penalty upon giving not less than 30 days' prior written notice in writing to the approved distributor(s) from whom you purchased your Units. The Managers reserve the right to terminate the RSP at any time in their absolute discretion by giving at least one month's notice to the affected Holders.

The Managers shall not assume any liability for any losses arising from the Holders' payment for the RSP via direct debit transactions.

You should contact the approved distributors of the Managers for further details of how to participate in a RSP.

For the avoidance of any doubt, a RSP is currently not available in respect of the USD Hedged Class Units, the AUD Hedged Class Units and the EUR Class Units.

11. REALISATION OF UNITS

11.1 How to sell Units

Holders may realise their Units by submitting a written realisation request in such form and together with such other documents as may be required to the Managers through the approved distributor(s) from whom they had purchased their Units. Institutional investors who had purchased their Units directly from the Managers may realise their Units by submitting a realisation request in such form and together with such other documents as may be required to the Managers.

The Managers may refuse any realisation requests where all relevant documentation has not been submitted or if such realisation would result in non-compliance with the minimum holding and/or the minimum realisation requirement or in any other circumstances agreed with the Trustee and notified to the Holders.

Holders may make an electronic online application for the realisation of Units on or through the website of the Relevant Participating Distributor, or on an application form printed from such website.

11.2 Minimum holding and minimum realisation amount

A Holder may not realise only part of his holding of Units without the approval of the Managers and the Trustee if such realisation is less than the minimum realisation amount for the relevant Class, or if due to such realisation, his holding of Units in the relevant Class would be reduced to less than the minimum holding for that Class.

The minimum holding and the minimum realisation amount for each Class of Units is set out in the table below.

Class	Minimum holding*	Minimum realisation amount**
SGD Hedged Class	500 Units	500 Units
SGD Hedged (Acc) Class	500 Units	500 Units
USD Hedged Class	500 Units	500 Units
AUD Hedged Class	500 Units	500 Units
EUR Class	500 Units	500 Units

* or such other number or value of Units in the relevant Class as the Managers may from time to time determine upon giving prior written notice to the Trustee

** or such other number of Units or amount as may be determined from time to time by the Managers after consultation with the Trustee.

11.3 **Pricing and Dealing Deadline**

The net realisation proceeds are calculated by multiplying the number of Units of the relevant Class to be realised by the realisation price of the Units ("**Realisation Price**"). The Realisation Price per Unit of any Class of the Fund on any Dealing Day will be calculated based on forward pricing and shall be the price per Unit ascertained by the Managers by determining the Value as at the Valuation Point in relation to the relevant Dealing Day of the proportion of the Deposited Property attributable to the relevant Class, and by dividing such Value by the number of Units of that Class in issue or deemed to be in issue as of that Valuation Point, and rounding such amount to the nearest 3 decimal places or such other number of decimal places or such other method of rounding as the Managers may from time to time determine after consulting with the Trustee. The Managers shall be entitled to convert the Realisation Price to any applicable foreign currency at the prevailing rate of exchange. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Realisation Price, and the Trustee shall determine if the Holders should be informed of such changes.

The Dealing Deadline is, in relation to any Dealing Day, currently 5 p.m. (Singapore time) on the said Dealing Day but this may be changed subsequently to any other time of the day by the Managers with the approval of the Trustee. This means that if a realisation request is received and accepted by the Managers by the Dealing Deadline on any Dealing Day, the price will be based on the Value of the Fund for that Dealing Day. If a realisation request is received and accepted by the Managers after the Dealing Deadline on that Dealing Day or on a day not being a Dealing Day, it shall be deemed to be received and accepted by the Managers only on the immediately following Dealing Day. The Realisation Price will be determined only on the Business Day following the Dealing Day.

11.4 **How realisation proceeds are calculated**

The following is an illustration of the realisation proceeds that a Holder will receive based on a realisation of 1,000 Units and a notional Realisation Price[10] of $1.050*.

1,000	x	$1.050	=	$1,050.00	-	Nil	=	$1,050.00
Units to be realised		Realisation Price*		Gross realisation proceeds		Realisation Charge**		Net realisation proceeds payable

* The actual Realisation Price of a Class will fluctuate according to the NAV of the relevant Class and may be affected by Swing Pricing as described in paragraph 20.10.

** There is currently no Realisation Charge imposed.

N.B.: All numerical figures used for the purpose of this illustration are hypothetical.

[10] You should note that the Realisation Price of Units of the Fund may be calculated based on the "swung" price of the Underlying Fund. Please refer to paragraph 9.3.9 for more information on the swing pricing used by the Underlying Fund.

If a Holder is resident outside Singapore, the Managers may deduct from the realisation proceeds, an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.

11.5 **Payment of realisation proceeds**

11.5.1 The realisation proceeds will be paid to Holders within 7 Business Days after the relevant Dealing Day on which the realisation request is received or within such other time as may be permitted by the Authority unless realisation of Units has been suspended in accordance with the Deed.

11.5.2 In the case of a Holder who has purchased Units with cash, any monies payable to him under the provisions of the Deed in respect of such Units will be paid by cheque sent through the post to his address appearing on the Register or by telegraphic transfer to a nominated bank account.

11.5.3 In the case of a Holder who has purchased Units with SRS monies, any monies payable to him under the provisions of the Deed in respect of such Units will be paid by transferring the monies to the relevant bank for credit of the Holder's SRS account or otherwise in accordance with the provisions of any applicable laws, regulations or guidelines. Where the Holder's SRS account has been closed, the monies will be paid to him in accordance with paragraph 11.5.2 or otherwise in accordance with any applicable laws, regulations or guidelines.

11.5.4 Payment of realisation proceeds made in accordance with the provisions of this paragraph 11.5 will be a satisfaction of the monies payable and shall be a good discharge to the Managers or the Trustee (as the case may be).

11.6 **Limits on Realisations**

11.6.1 The Managers may, with the approval of the Trustee, limit the total number of Units of the Fund or any Class which Holders may realise and which the Managers are entitled to have cancelled pursuant to the Deed (as the case may be) on any Dealing Day to 10% of the total number of Units of the Fund or Class (disregarding any Units of the Fund or Class which have been agreed to be issued), such limitation to be applied pro rata to all Holders of the Fund or Class who have validly requested realisations in relation to their Units of the Fund or Class on such Dealing Day so that the proportion realised of each holding of the Fund or Class so requested to be realised or cancelled pursuant to the Deed is the same for all Holders of the Fund or Class. Any Units of the Fund or Class which, by virtue of the powers conferred on the Managers by this paragraph, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of the provisions of this sub-paragraph) on the next succeeding Dealing Day PROVIDED THAT if on such next succeeding Dealing Day, the total number of Units of the Fund or Class to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Managers may further carry forward the requests for realisation or cancellation (as the case may be) in relation to the Fund or Class until such time as the total number of Units of the Fund or Class to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit. If realisation requests in relation to the Fund or Class are carried forward as aforesaid, the Managers shall give notice to the Holders of the Fund or Class affected thereby within 7 days that such Units have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day. Requests for realisations which have been carried forward from an earlier Dealing Day shall be dealt with in priority to later requests.

11.6.2 If, immediately after any relevant day, the number of Units of the Fund or any Class in issue or deemed to be in issue, having regard to realisations and issues in respect of Units of the Fund or Class falling to be made by reference to that relevant day, would be less than such proportion (not exceeding 90%) as may be determined by the Managers from time to time of the number of Units of the Fund or Class in issue or deemed to be in issue on that relevant day, the Managers may with the approval of the Trustee, with a view to protecting the interests of all Holders of the Fund or Class, elect that the Realisation Price per Unit of the Fund or Class in relation to all (but not some only) of the Units of the Fund or Class falling to be realised by reference to that relevant day shall be the price per Unit of the Fund or Class which, in the opinion of the Managers, reflects a fairer value for the Deposited Property having taken into account the necessity of selling a material proportion of the Investments (as defined in the Deed) as at that time constituting part of the Deposited Property, and by giving notice to the Holders of Units of the Fund or Class affected thereby within 2 Business Days after the relevant day, the Managers may, subject to the Trustee's approval and the provisions of the Code, suspend the realisation of those Units of the Fund or Class for such reasonable period as may be necessary to effect an orderly realisation of Investments. For the purposes of this paragraph the "fairer value" for the Deposited Property shall be determined by the Managers in consultation with an Approved Broker (as defined in the Deed) and upon notification to the Trustee. The "material proportion" of the Investments means such proportion of the Investments which when sold would in the opinion of the Managers in consultation with the Trustee cause the Value of the Deposited Property to be significantly reduced.

12. EXCHANGE OF UNITS WITHIN GROUP TRUST

12.1 The Managers may, at their discretion and on such terms and conditions as they may impose (including the levying of fees or charges), on the application of a Holder, effect the exchange of Units for units of any other Group Trust[11] (referred to as "units") and on notification by the managers of a Group Trust of an application by the holder of units in that Group Trust, exchange such units for Units.

12.2 The following provisions will apply to such an exchange:

12.2.1 the exchange of Units for units is exercised by a Holder giving to the Managers through the approved distributor(s) from whom the Holder had purchased the Units a notice in such form as the relevant approved distributor may from time to time require and accompanied by a duly completed and executed application form for the

[11] "**Group Trust**" means such collective investment scheme which the Managers may at their discretion from time to time allow the exchange of Units into or units from pursuant to paragraph 12.The list of Group Trusts may vary from time to time and is available from the Managers upon request.

subscription of units in the relevant Group Trust. Institutional investors who had purchased their Units directly from the Managers may exchange their Units by submitting a notice in such form as the Managers may from time to time require and accompanied by a duly completed and executed application form for the subscription of units in the relevant Group Trust;

12.2.2 the exchange of Units for units specified in the relevant notice (the "**Exchange Notice**") will be made on the Common Exchange Dealing Day on which the Exchange Notice is received by the Managers up to 5.00 p.m. Singapore time on such Common Exchange Dealing Day. If an Exchange Notice is received by the Managers after 5.00 p.m. Singapore time on a Common Exchange Dealing Day or on a day that is not a Common Exchange Dealing Day, the Exchange Notice will be treated as having been received before 5.00 p.m. Singapore time on the next Common Exchange Dealing Day. For this purpose, "**Common Exchange Dealing Day**" is a day which is both a Dealing Day in relation to Units and a dealing day (as defined in the relevant trust deed) in relation to units of the Group Trust;

12.2.3 no Units shall be exchanged during any period when the right of Holders to require the realisation of Units is suspended pursuant to the Deed or when the issue of units in the relevant Group Trust is suspended pursuant to the suspension provisions set out in the trust deed of that Group Trust or on any Common Exchange Dealing Day on which the number of Units that can be realised by any Holder is limited pursuant to the Deed;

12.2.4 a Holder is not entitled, without the consent of the Managers, to withdraw an Exchange Notice;

12.2.5 any exchange of Units for units will be effected subject to any requirements or restrictions applicable to the realisation of Units and the issue of units, including without limitation, any minimum holding requirement, any minimum initial investment sum or minimum subsequent investment sum requirement;

12.2.6 each Unit to be exchanged shall be valued at not less than the Realisation Price per Unit and each Unit to be issued shall be valued at not more than the Issue Price per Unit;

12.2.7 an exchange of Units for units will be effected by the Holder realising his Units. The net proceeds of this realisation will then be utilised (subject to the discretion of the manager of the Group Trust to reject any applications for units) to subscribe for units of the relevant Group Trust at the prevailing issue price of the units of the relevant Group Trust;

12.2.8 an exchange of units for Units will be effected by the managers of that Group Trust realising the units of that Group Trust and paying the net proceeds of the realised units to the Managers. The Managers will then issue Units at the prevailing Issue Price;

12.2.9 the Managers are entitled to impose an Exchange Fee, as described under paragraph 8.1 of this Prospectus;

12.2.10 the Trustee shall have no responsibility or liability to ensure that the provisions of the trust deed constituting the Group Trust relating to issue, realisation or exchange of units are complied with;

12.2.11 the Managers may, at their discretion, reject any Exchange Notice; and

12.2.12 no exchange is permitted between Units and units that are denominated in different currencies.

12.3 For the avoidance of doubt, any fee or charge (including any portion thereof) which the Managers are entitled to charge or retain pursuant to this paragraph 12 may generally or in any particular case be waived by the Managers at their sole discretion.

13. OBTAINING PRICES OF UNITS

The Issue Price and Realisation Price of the Units will be available on the Business Day following each Dealing Day.

You may check such prices on the Managers' website at http://www.nikkoam.com.sg.

14. SUSPENSION OF DEALINGS

14.1 Subject to the provisions of the Code, the Managers may at any time, with the approval of the Trustee, suspend the issue of Units, the right of Holders to require the realisation of Units and/or the valuation of Units and/or the Deposited Property of the Fund or any Class in the following circumstances:

14.1.1 during any period when the Recognised Stock Exchange (as defined in the Deed) on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

14.1.2 during any period when there exists any state of affairs which, in the opinion of the Managers or the Trustee, as the case may be, might seriously prejudice the interest of the Holders of the Fund or the relevant Class as a whole or of the Deposited Property;

14.1.3 any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on any Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained;

14.1.4 any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers or the Trustee, as the case may be, be carried out at normal rates of exchange;

14.1.5 any period when the fair value of a material portion of the assets of the Fund cannot be determined and for the purposes of this paragraph, "fair value" of an asset of the Fund is the price that the Fund would reasonably expect to receive upon the sale of the asset;

14.1.6 during any period when dealings in the units or shares of the Underlying Fund are restricted or suspended;

14.1.7 the period of 48 hours (or any longer period that the Managers and the Trustee agree) prior to the date of any meeting (or adjourned meeting) of Holders of the Fund or the relevant Class convened in accordance with the provisions of the Deed;

14.1.8 any period pursuant to an order or direction by the Authority;

14.1.9 during any period when the Managers or the Trustee is unable to conduct their/its business activities or their/its ability to conduct their/its business activities is substantially impaired, as a direct or indirect result of local or foreign government restrictions, the imposition of emergency procedures, civil disorder, acts or threatened acts of terrorism, war, strikes, pestilence, natural disaster or other acts of God; or

14.1.10 during such circumstances as may be required under the provisions of the Code, and payment for any Units of the Fund or the relevant Class realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension. Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers and subject to the provisions of the Code, shall terminate as soon as practicable when the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph 14.1 shall exist upon the declaration in writing thereof by the Managers, and in any event, within 21 days of the commencement of the suspension. The period of suspension may be extended if the Managers satisfy the Trustee that it is in the best interest of the Holders for the dealing in Units to remain suspended. Such extension is subject to weekly review by the Trustee.

15. PERFORMANCE OF THE FUND

15.1 Past performance of the Fund

The performance of the SGD Hedged Class as at 31 January 2024 is shown in the table below:

	Return 1 year (% change)	Return over 3 years (A.C.R.)	Return over 5 years (A.C.R.)	Return over 10 years (A.C.R.)	Return Since Inception (A.C.R.)
SGD Hedged Class	-2.56%	N.A.	N.A.	N.A.	-4.29%

Calculated on a NAV-NAV basis, SGD, based on the assumption that all dividends and distributions are reinvested, if any, and taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable.

Source: Nikko Asset Management Asia Limited

Inception Date: 12 April 2021

"A.C.R." means Average Annual Compounded Return

The performance of the USD Hedged Class as at 31 January 2024 is shown in the table below:

	Return 1 year (% change)	Return over 3 years (A.C.R.)	Return over 5 years (A.C.R.)	Return over 10 years (A.C.R.)	Return Since Inception (A.C.R.)
USD Hedged Class	-1.14%	N.A.	N.A.	N.A.	-3.79%

Calculated on a NAV-NAV basis, USD, based on the assumption that all dividends and distributions are reinvested, if any, and taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable.

Source: Nikko Asset Management Asia Limited

Inception Date: 12 April 2021

"A.C.R." means Average Annual Compounded Return

You should note that the past performance of the Fund and its Classes is not necessarily indicative of their future performance.

As at 31 January 2024, the SGD Hedged (Acc) Class, the AUD Hedged Class and the EUR Class have not been incepted yet. Accordingly, a track record of at least one year is not available in respect of these Classes of Units of the Fund.

The performance of the Fund will not be measured against any benchmark as the Underlying Fund is actively managed and is not managed by reference to a benchmark. Please see paragraph 7.1 for further details.

15.2 **Expense ratio**

The expense ratios of the SGD Hedged Class and the USD Hedged Class (calculated in accordance with the guidelines issued by the Investment Management Association of Singapore on the disclosure of expense ratios and based on figures in the Fund's latest audited accounts) for the financial year ended 31 December 2022 are 1.45% and 1.45% respectively.

The following expenses are excluded from the calculation of the expense ratio:

(a) interest expense;

(b) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);

(c) foreign exchange gains and losses of the Fund, whether realised or unrealised;

(d) front end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;

(e) tax deducted at source or arising on income received including withholding tax; and

(f) dividends and other distributions paid to Holders.

As the SGD Hedged (Acc) Class, the AUD Hedged Class and the EUR Class have not been incepted yet, the expense ratios of these Classes for the financial year ended 31 December 2022 are not available as at the date of registration of this Prospectus.

15.3 **Turnover ratio**

The turnover ratio of the Fund (calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average NAV of the Fund) for the financial year ended 31 December 2022, is 8.70%.

The turnover ratio of the Underlying Fund (calculated based on the lesser of purchases or sales of underlying investments of the Underlying Fund expressed as a percentage of daily average NAV of the Underlying Fund) for the financial year ended 30 September 2023, is 27.1%.

16. SOFT DOLLAR COMMISSIONS/ ARRANGEMENTS

16.1 In their management of the Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

16.2 When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Underlying Fund, the Underlying Fund Investment Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party. The Underlying Fund Investment Manager will return to the Underlying Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or person acting on behalf of a third party in relation to the services provided to the Underlying Fund, and disclose in its annual report the fees, commissions or any monetary benefits transferred to them. However, the Underlying Fund Investment Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to clients; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interest of clients.

17. CONFLICTS OF INTEREST

17.1 The Managers are part of a financial group, and the Managers and their affiliates provide the full suite of financial services to clients, and act simultaneously for a number and range of clients with various interests, requirements and positions.

17.2 Other than the Fund, the Managers are also the managers of other collective investment schemes including but not limited to:

(a) Nikko AM Shenton Japan Fund

(b) Nikko AM Shenton Thrift Fund

(c) Nikko AM Shenton Income Fund

(d) Nikko AM Shenton Asia Pacific Fund

(e) Nikko AM Global Green Bond Fund

(f) Nikko AM Shenton Emerging Enterprise Discovery Fund

(g) Nikko AM Shenton Horizon Investment Funds

(h) Nikko AM Asia Umbrella Funds (formerly known as the "Nikko AM Shenton Eight Portfolios")

(i) Nikko AM Asia Investment Funds

(j) Nikko AM Shenton Short Term Bond Funds

(k) ABF Singapore Bond Index Fund

(l) Nikko AM Singapore STI ETF

(m) Nikko AM Japan Dividend Equity Fund

(n) Nikko AM Asia High Yield Bond Fund

(o) MSIG Asian Bond Fund

(p) Nikko AM Global Multi Asset Conservative Fund

(q) Nikko AM Asia Healthcare Fund

(r) Nikko AM China Onshore Fund Series

(s) Nikko AM ASEAN Equity Fund

(t) NikkoAM-StraitsTrading Asia ex Japan REIT ETF

(u) Nikko AM Asia Limited Investment Fund Series

(v) Nikko AM SGD Investment Grade Corporate Bond ETF

(w) NikkoAM-ICBCSG China Bond ETF

(x) Nikko AM Asia Fund Series

(y) Nikko AM Asia Limited VCC

17.3 The Managers may from time to time have to deal with competing or conflicting interests arising from such other funds managed by the Managers. For example, the Managers may make a purchase or sale decision on behalf of some or all of the other funds managed by the Managers without making the same decision on behalf of the Fund, as a decision whether or not to make the same investment or sale for the Fund depends on factors such as the cash availability and portfolio balance of the Fund. However, the Managers will use their reasonable endeavours at all times to act fairly and in the interests of the Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds managed by the Managers and the Fund, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds managed by the Managers and the Fund. The Managers may also transact on the Fund's behalf with its affiliates. The Managers intend to deal with any conflicts of interests in a manner consistent with any applicable guidelines which may be issued from time to time by the Investment Management Association of Singapore.

17.4 The Managers are of the view that they are not in a position of conflict in managing their other funds as these funds and the Fund have different investment universes and investment restrictions. To the extent that there are overlapping investment objectives, the Managers will, as far as practicable, endeavour to have the same securities holdings for such overlapping areas with such securities allocated on a pro-rata basis among the relevant funds. The Managers will conduct all transactions with or for the Fund at arm's length. Subject to the investment guidelines of the Fund, the Fund may also invest in other funds managed by the Managers and/or its affiliates. In respect of voting rights where the Managers may face a conflict between its own interest and that of the Holders of the Fund, the Managers shall cause such voting rights to be exercised in consultation with the Trustee.

17.5 The Trustee is presently also offering registrar services to the Fund while the Custodian (which is a party related to the Trustee) is presently also providing fund administration, transfer agency and valuation services to the Fund. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property under the provisions of the Deed.

17.6 The Managers and the Trustee will conduct all transactions with or for the Fund on an arm's length basis.

17.7 The Managers or their affiliates (together the "**Parties**") are or may be involved in other financial, investment and professional activities (including but not limited to providing discretionary investment management or investment advisory services to other clients) which may on occasion cause conflicts of interest with the management of the Fund. Notwithstanding paragraph 17.4 above, the Parties will be free, in their absolute discretion, to make recommendations to others, or effect transactions on behalf of themselves or for others which may be the same as or different from those effected for the Fund, and to do so prior to, at the same time as, or after effecting such transactions. The Parties shall not be obliged to purchase, retain or sell for the Fund any security which the Parties may purchase, retain or sell on behalf of themselves or for others, or which the Parties may recommend to others to purchase, retain or sell. Furthermore, the Parties shall be free to purchase, sell, deal in or compete for the same financial instruments as the Fund or to take positions opposite to the positions of the Fund, on behalf of themselves or for others, or to recommend others to take positions opposite to the position of the Fund. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.

17.8 Associates of the Trustee (the "**Trustee's Associates**") may be engaged to provide financial, banking and brokerage services to the Fund. Such services where provided, will be on an arm's length basis and the Trustee's Associates shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such services. If there is a conflict of interest, the Trustee will endeavour to resolve such conflict quickly and in the interest of the Holders in an equitable manner.

17.9 The Managers or the Trustee may acquire, own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. If any conflict of interest arises as a result of such dealing, the Managers and the Trustee, following consultation with the other, will resolve such conflict in a just and equitable manner as they shall deem fit. Such dealings, where entered into, will be on an arm's length basis.

18. REPORTS

18.1 The financial year-end for the Fund is 31 December. Holders may obtain electronic copies of the annual accounts of the Fund, reports of the auditors on the annual accounts of the Fund and the annual reports of the Fund for the relevant financial year (collectively, the "**Reports**") from the Managers' website at www.nikkoam.com.sg. The Reports will be made available on the Managers' website within three (3) months of the financial year-end of the Fund and will remain on the Managers' website for at least 12 months from the date of posting on the Managers' website. Printed copies of the Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Reports may submit the relevant request to the Managers or the relevant distributor.

18.2 Holders may obtain electronic copies of the semi-annual report and semi-annual accounts of the Fund (collectively, the **"Semi-Annual Reports"**) from the Managers' website at www.nikkoam.com.sg. The Semi-Annual Reports will be made available on the Managers' website within two (2) months of the end of the period covered by the relevant report and accounts and will remain on the Managers' website for at least 12 months from the date of posting on the Managers' website. Printed copies of the Semi-Annual Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Semi-Annual Reports may submit the relevant request to the Managers or the relevant distributor.

19. QUERIES AND COMPLAINTS

You should contact the distributor from whom you purchased your Units if you have any queries regarding your investment in the Fund. You may also contact the Managers at 1800 535 8025.

20. OTHER MATERIAL INFORMATION

20.1 You should note that upon the Fund being terminated in accordance with the Deed, and unless a Holder of Units redeems or exchanges his/her Units in accordance with the provisions of the Deed prior to the effective date of the termination of the Fund (or such other date as the Managers and the Trustee may deem appropriate), the Managers may at their discretion (in consultation with the Trustee) automatically exchange such Holder's Units to units/shares of any collective investment scheme that is authorised pursuant to section 286 of the SFA or recognised pursuant to section 287 of the SFA and that is managed by the Managers or any other entity in the Nikko AM group (the "**New Scheme**"), whether such New Scheme is constituted in Singapore or elsewhere and whether the units/shares of such New Scheme are denominated in the same currency as the currency of denomination of the Units being automatically exchanged or otherwise. The Holders shall not be liable for any Initial Sales Charge, Exchange Fee, Realisation Charge or other fees, charges or expenses (whether incurred by the Managers or otherwise) pursuant to such automatic exchange. Please refer to the Deed for more information.

20.2 You should refer to the Deed before investing in the Fund. The Deed is a legal document which sets out the rights, responsibilities and obligations of the Managers, Trustee and Holders. You may wish to inspect a copy of the Deed at the business address of the Managers indicated in paragraph 1.3 above. If you have any doubt regarding the contents of this Prospectus, you should contact the Managers at the telephone number provided in paragraph 19 above, or consult your solicitor, financial adviser or other professional adviser.

20.3 The Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code and the Deed. The Underlying Fund does not currently enter into securities lending and repurchase agreements within the meaning of Regulation (EU/2015/2365) on transparency of securities financing transactions and of reuse.

20.4 <u>Valuation</u>

20.4.1 Save as otherwise expressly provided in the Deed, and subject always to the requirements of the Code, for the purpose of determining the Value of any Deposited Property or any part thereof or any Investment (as defined in the Deed) comprised or to be comprised therein by the Managers or other agents on behalf of the Managers:-

(a) the Value shall be determined as at each Valuation Point in respect of the relevant Dealing Day;

(b) the Value of any Unquoted Investment (as defined in the Deed) shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the following provisions:-

(i) the initial value of such Unquoted Investment shall be the amount expended out of the Deposited Property in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Trustee for the purposes of the Fund); and

(ii) the Managers may at any time with the approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any Unquoted Investment by an Approved Valuer (as defined in the Deed) approved by the Trustee as qualified to value such Unquoted Investment;

(c) the Value of any Quoted Investment (as defined in the Deed) shall be calculated, as the case may be, by reference to the price appearing to the Managers to be the official closing price, the last known transacted price or the last transacted price or if there is no such official closing price, last known transacted price or last transacted price and if bid and offer quotations are made or other appropriate closing prices determined by the Managers in consultation with the Trustee in relation to that Investment;

(d) cash, deposits and similar property shall be valued (by an Approved Valuer) at their face value (together with accrued interest) unless in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made;

(e) units in any unit trust or shares or participations in open-ended mutual funds shall be valued at the latest available NAV per unit or share or participation as valued by the issuer thereof;

(f) futures contracts shall be valued:-

(i) in the case of a futures contract for the sale of the subject matter thereof, the amount equal to the contract value less the sum of the amount required to close the contract and the amount spent by the Fund to enter into the contract; and

(ii) in the case of a futures contract for the purchase of the subject matter thereof, the amount equal to the amount required to close the contract less the sum of the contract value and the amount spent by the Fund to enter into the contract;

(g) gold (to the extent permitted by the Code) shall be valued by reference to the mean of the bid and offered prices in the spot gold market in Singapore at the time of calculation; and

(h) any other property forming part of the Authorised Investments (as defined in the Deed) shall be valued (by an Approved Valuer) at such time or times as the Managers and the Trustee shall from time to time agree;

PROVIDED THAT if the quotations referred to in sub-paragraphs (c), (e) and (g) above are not available or if the Value of the Authorised Investment determined in the manner described in sub-paragraphs (b) to (h) above, in the opinion of the Managers do not represent a fair value of the Authorised Investment, then the value of such Authorised Investment shall be any fair value as the Managers may determine with due care and in good faith and with the consent of the Trustee and in determining such fair value, the Managers may rely on quotations for the Investment on any Recognised Stock Exchange or telephone market or any certified valuation by an Approved Broker or an Approved Valuer. The method of calculation of the Value of any Investment may be changed to the extent permitted by the Authority and with the Trustee's prior approval, and the Trustee shall determine if the Holders should be informed of such change and the Managers shall notify the Holders of such change if so required by the Trustee.

20.4.2 The Managers shall not, subject to the provisions of the Code, incur any liability by reason of the fact that a price reasonably believed by them to be the last sale price or other appropriate closing price may be found not to be such Provided That such liability shall not have arisen out of the negligence or wilful acts or omissions of the Managers, and the Trustee shall not assume any liability in accepting the opinion of the Managers in any case.

20.4.3 In calculating the Value of the Deposited Property or any part thereof:-

(a) subject to clause 9.6 of the Deed, every Unit agreed to be issued by the Managers before the relevant Valuation Point shall be deemed to be in issue and the Deposited Property shall be deemed to include not only property in the possession of the Trustee but also the value of any cash or other property to be received by the Trustee in respect of Units so agreed to be issued after deducting therefrom or providing thereout the Initial Sales Charge or any fee in connection with the exchange of Units (as the case may be) and the amount of any adjustments authorised by the Deed and (in the case of Units issued against the transfer of Authorised Investments) any amounts payable pursuant to clause 10 of the Deed;

(b) where Investments have been agreed to be sold or purchased but such sale or purchase has not been completed, such Investments shall be excluded or included and the net sale or gross purchase consideration included or excluded (as the case may require) as if such sale or purchase had been duly completed;

(c) where in consequence of any notice or request in writing given pursuant to clauses 13 or 14 of the Deed a reduction of the Fund by the cancellation of Units is to be effected but such reduction has not been completed those Units shall be deemed not to be in issue and any amount payable in cash and the Value of any Investments to be transferred out of the Deposited Property pursuant to such reduction shall be deducted from the Value of the Deposited Property;

(d) there shall be deducted any amounts not provided for above which are payable out of the Deposited Property pursuant to clause 5 of the Deed, including but not limited to, the aggregate amount for the time being outstanding of any borrowings effected pursuant to clause 21 of the Deed together with the amount of any interest and expenses thereon accrued pursuant to clause 21.5 of the Deed remaining unpaid and the amount of any Management Fee (which shall be deducted in accordance with paragraph 20.4.4 below if the Management Fee differs between the Classes) accrued pursuant to clause 35 of the Deed, any fees payable to the Trustee accrued pursuant to clause 36 of the Deed, the Realisation Charge (if any), the registrar's agent's fees, the securities transactions fee, the inception fee of the Trustee and any other expenses accrued but remaining unpaid attributable to the Deposited Property;

(e) there shall be adjusted such amount as the Managers estimate will become payable or recoverable in respect of taxation related to Income (as defined in the Deed) up to the Valuation Point;

(f) where the current price of an Investment is quoted "ex" any dividend (including stock dividend), interest or other rights to which the Fund is entitled but such dividend, interest, property or cash to which such rights relates has not been received and is not otherwise taken into account, the amount of such dividend, interest, property or cash shall be included;

(g) an amount equal to the expenses incurred by the Managers and the Trustee in establishing and terminating the Fund and/or any Class and referred to in clauses 5.6(r) and 5.6(s) of the Deed less the amount thereof which has previously been or is then to be written off shall be included;

(h) subject to clause 21 of the Deed and the Authorised Funds Investment Guidelines (as defined in the Deed), any Value (whether of an Investment or cash) otherwise than in EUR and any amounts to be deducted otherwise than in EUR shall be translated into EUR at the rate (whether official or otherwise) which the Managers, after consulting the Trustee or in accordance with a method approved by the Trustee, deem appropriate in all the circumstances having regard, *inter alia*, to any premium or discount which may be relevant and to the costs of exchange;

(i) there shall be deducted the amount in respect of tax, if any, on net capital gains realised during a current Accounting Period (as defined in the Deed) prior to the valuation being made as in the estimate of the Managers will become payable which is attributable to the Fund; and

(j) there shall be added the amount of tax, if any, on capital gains estimated to be recoverable and not received which is attributable to the Fund.

20.4.4 In respect of paragraph 20.4.3 above, the Value of the proportion of the Deposited Property attributable to each Class shall be calculated by apportioning the Value of the Deposited Property (obtained in accordance with paragraphs 20.4.1 and 20.4.3 above provided that no deduction or addition shall be made in respect of expenses, charges or other amounts which are not common to all the Classes) between the Classes and then deducting from or adding to the value of the proportion of the

Deposited Property for each Class any expense, charge or other amount attributable to such Class (including, but not limited to, the Management Fee if it differs between the Classes). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Deposited Property pursuant to the Deed is attributable only to a particular Class, such amount shall only be deducted from or added to the value of the Deposited Property which is attributable to that Class and shall not affect the calculation of the Value of the Deposited Property attributable to the other Classes.

20.5 Valuation policy and performance measurement standards of the Managers

Valuations shall be done on every Dealing Day. There will not be a suspension of valuation by reason of an exchange holiday. In such cases, the last available security prices shall continue to be applied for valuation purposes.

Notwithstanding the foregoing, the Managers' pricing committee will subject to the provisions of the Code and the conditions set out in paragraph 14 of this Prospectus retain the discretion to suspend valuation if deemed necessary. The Managers' pricing committee is responsible for considering and arriving at a consensus decision to address any pricing disputes or valuation methodology that requires ad hoc decision due to market situation. Subject to the provisions of the Code, the Managers may request for approval to suspend the valuation and dealing of the Fund if the fair value of a material portion of the Fund's assets cannot be determined.

The Managers collate and maintain portfolio and series data in the performance systems on a periodic basis and generate performance results to meet reporting requirements. Time-weighted rate of return (TWRR) methodology is adopted for portfolio returns calculation.

20.6 Hard-to-value or illiquid assets

If the most recent available price for a security invested into by the Fund exceeds one month for reasons of non-availability of prices from regular market sources and/or counterparties, an appropriate liquidity reserve shall be applied on the last available price in accordance with the Managers' pricing and valuation policy. The adjusted price shall be approved by the Managers' pricing committee prior to application.

20.7 Compulsory realisation of Units

20.7.1 The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in the Fund held by:

(a) any Holder:

  (i) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or

  (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance by the Managers or the Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or

(b) any Holder whose holdings of Units, in the opinion of the Managers:

  (i) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or

  (ii) may cause the offer of the Units of the Fund, the Fund, this Prospectus, the Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or

(c) any Holder whose holdings of Units, in the opinion of the Managers:

  (i) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or

  (ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or the Holders might otherwise not have incurred or suffered; or

(d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where any information and/or documentary evidence requested by the Managers and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or

(e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Managers and/or the Trustee pursuant to any laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA (as defined in the Important Information section of this Prospectus) and/or any Singapore laws, regulations, guidelines and directives implemented as part of any inter-governmental agreement entered into between the United States and Singapore in connection with the FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or

(f) any Holder who does not consent, or withdraws his consent, for the Managers or the Trustee to collect, use and/or disclose information or data relating to the Holder, where such information or data is necessary for, or reasonably required by, the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of (i) the Fund and/or (ii) the Holder in relation to his holdings of Units in the Fund.

20.7.2 If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Managers (in consultation with the Trustee) shall be entitled to compulsorily realise such number of Units held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

20.7.3 Any compulsory realisation under paragraphs 20.7.1 or 20.7.2 may be carried out by the Managers on any Dealing Day after giving prior written notice to the relevant Holder, and shall be carried out in accordance with, and at the Realisation Price determined under, the relevant provisions of the Deed.

20.7.4 The Managers, the Trustee and their respective delegates, agents or Associates (as defined in the Deed) shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, the Trustee and/or any of their respective delegates, agents or Associates under paragraphs 20.7.1, 20.7.2 or 20.7.3.

20.8 Liquidity risk management

The Managers have established liquidity risk management policies which enable the Managers to identify, monitor, and manage the liquidity risk of the Fund. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Holders, and safeguard the interests of remaining Holders against the redemption behaviour of other investors and mitigate against systemic risk.

The Managers' liquidity risk management policies take into account the Fund's liquidity terms, asset class, liquidity tools and regulatory requirements.

The liquidity risk management tools available to manage liquidity risk include the following:

(a) subject to the provisions of the Deed, the Trustee shall at any time as the Managers may from time to time request, make and vary arrangements for the borrowing for the account of the Fund provided that the investment guidelines and limits on borrowings in the Authorised Funds Investment Guidelines (as defined in the Deed) and (if applicable) the CPF Investment Guidelines (as defined in the Deed), are complied with;

(b) subject to the provisions of the Code, the Managers may, with the approval of the Trustee, suspend the realisation of Units of the Fund or any Class in accordance with paragraph 14 of this Prospectus. During any such suspension period for the Fund or the relevant Class, Holders of the Fund or Class may not be able to realise their Units or payment for any Unit of the Fund or the relevant Class realised before the commencement of such suspension but for which payment has not been made before the commencement of the suspension may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension; and

(c) The Managers may, with the approval of the Trustee, limit the total number of Units of the Fund or any Class which Holders may realise on any Dealing Day to 10% of the total number of Units of the Fund or Class then in issue, such limitation to be applied proportionately to all Holders of the Fund or Class who have validly requested realisations in relation to their Units of the Fund or Class on such Dealing Day. In such circumstances, the realisation of your Units may be delayed or the amount of the realisation proceeds that Holders will receive for their Units (upon application of Swing Pricing as described in paragraph 20.10 of this Prospectus) will be affected.

20.9 <u>Change in Investment Policy</u>

The Managers in their discretion may from time to time with the prior written approval of the Trustee and upon giving not less than one month's (or such other period as may be agreed between the Managers and the Trustee) prior written notice to the Holders change the investment policy of the Fund from investing as a Feeder Fund in the Underlying Fund to investing substantially all of the relevant Deposited Property in such other underlying entity or underlying entities as the Managers may determine, provided that the investment objective of the Fund remains substantially the same. The circumstances under which such investment policy may be changed include, without limitation, the liquidation, termination, dissolution, amalgamation, merger, consolidation or reconstruction of the Underlying Fund or where the Managers having identified another underlying entity or underlying entities that more appropriately fit the investment objective of the Fund. Where any change in the investment policy of the Fund goes beyond investing in such other underlying entity or underlying entities having substantially the same investment objective as the Fund, such change will be subject to the prior approval from the relevant authorities (if required) and the approval of the Holders by Extraordinary Resolution (as defined in the Deed). The Managers may in their discretion (with the prior written approval of the Trustee and upon giving not less than one month's (or such other period as may be agreed between the between the Managers and the Trustee) prior written notice to the Holders) change the investment policy of the Fund from investing as a Feeder Fund investing in the Underlying Fund to investing directly in investments so long as the investment objective of the Fund remains substantially the same.

20.10 <u>Swing Pricing</u>

The Fund is single priced and the NAV of the Fund may fall as a result of, amongst others, the transaction costs (such as broker commissions, custody transaction costs, stamp duties or sales taxes) incurred in the purchase and/or sale of its Authorised Investments caused by subscriptions, realisations, switches and/or exchanges of Units in the Fund and the spread between the buying and selling prices of such Authorised Investments. This effect is known as “dilution”.

To protect the interest of Holders, the Managers shall, in consultation with the Trustee, have the discretion to apply a technique known as “dilution adjustment” or “swing pricing” (“**Swing Pricing**”) in certain circumstances which the Managers deem appropriate. Swing Pricing involves making upwards or downwards adjustments in the calculation of the NAV per Unit of the Fund or Class on a particular Dealing Day so that such transaction costs and dealing spreads in respect of the Authorised Investments are, as far as practicable, passed on to the investors who are subscribing, realising, switching and/or exchanging Units on that Dealing Day.

Typically, the NAV is adjusted if the net subscription or realisation (including switches and/or exchanges) on a particular Dealing Day reaches or exceeds a certain percentage (the “**Swing Threshold**”) of the size of the Fund as of such relevant Dealing Day. The NAV will swing upwards for a net subscription and downwards for a net realisation. In relation to the application of Swing Pricing to Classes of Units in the Fund, the NAV of each Class will be calculated separately but any adjustment will, in percentage terms, affect the NAV of each Class in an equal manner.

The need to apply Swing Pricing will depend upon various factors, including but not limited to (i) the amount of subscriptions and/or realisations (including switches and/or exchanges) of Units on that Dealing Day, (ii) the impact of any transaction costs incurred in the purchase and/or sale of Authorised Investments of the Fund, (iii) the spread between the buying and selling prices of Authorised Investments of the Fund and (iv) market conditions such as situations of financial turmoil provided that, any adjustments made by the Managers shall be on a fair and equitable basis and with a view to protecting the interests of Holders.

Please note that applying Swing Pricing when the Swing Threshold is reached or exceeded, aims to mitigate the effect of dilution but may not eliminate it entirely. Where the net subscription or realisation is below the Swing Threshold, no Swing Pricing will be applied and dilution will not be reduced.

The swing pricing policy for the Fund will be subject to regular review and may change from time to time. Accordingly, you should note that our decision to apply Swing Pricing and the level of adjustment made to the NAV per unit of the Fund in particular circumstances may not result in the same decision in similar circumstances arising in the future.

Holders and potential investors into the Fund should also take note of the following:

(a) the Fund’s performance will be calculated based on the NAV of the Fund after the Swing Pricing adjustment has been applied and therefore the returns of the Fund may be influenced by the level of subscription and/or realisation activity;

(b) Swing Pricing could increase the variability of the returns of the Fund since the returns are calculated based on the adjusted NAV per Unit; and

(c) the fees and charges applicable to the Fund (including fees based on the NAV of the Fund) will be based on the NAV before the Swing Pricing adjustment is applied.

In the usual course of business, to minimise the impact to the variability of the return of the Fund, the application of Swing Pricing will be triggered mechanically and on a consistent basis and applied only when the net transaction reaches or exceeds the Swing Threshold.

The Swing Threshold will be set with the objective of protecting the Holders' interest while minimising impact to the variability of the Fund's return by ensuring that the NAV per Unit is not adjusted where the dilution impact on the Fund is, in the opinion of the Managers, not significant, and may be varied by the Managers in its discretion.

The amount of adjustment at any future point in time may vary depending on inter alia market conditions, but will under normal circumstances not exceed 2% of the NAV per Unit of the Fund or Class on the relevant Dealing Day (the "**Maximum Adjustment**"). The Managers reserve the right to apply an adjustment of an amount not exceeding the Maximum Adjustment on the relevant Dealing Day where it deems appropriate and has the discretion to vary the amount of adjustment up to the Maximum Adjustment, in consultation with the Trustee, from time to time without giving notice to the relevant Holders.

Subject to the Deed and the applicable laws and regulations, the Managers may, in exceptional circumstances (including but not limited to volatile market conditions, market turmoil and illiquidity in the market, extraordinary market circumstances or significant unexpected changes in general market conditions) and in consultation with the Trustee temporarily apply an adjustment beyond the Maximum Adjustment on the relevant Dealing Day if, in its opinion, it is in the best interest of investors to do so. In such cases, if so required by the Authority and/or the Trustee, the Managers shall give notice to the relevant investors as soon as practicable in such manner as the Managers and Trustee may agree.

NIKKO ASSET MANAGEMENT ASIA LIMITED

BOARD OF DIRECTORS

Signed:	Signed:
Seet Oon Hui Eleanor Director	Yutaka Nishida Director (signed by Seet Oon Hui Eleanor for and on behalf of Yutaka Nishida)
Signed:	Signed:
Hiroshi Yoh Director (Signed by Seet Oon Hui Eleanor for and on behalf of Hiroshi Yoh)	Allen Yan Director (Signed by Seet Oon Hui Eleanor for and on behalf of Allen Yan)

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Company Registration Number: 198202562H

Nikko Asset Management