

Information Memorandum for

Sustainable Series – Global Lower Carbon Equity Fund



The Manager

AmFunds Management Berhad

Registration number: 198601005272 (154432-A)

The Trustee

Deutsche Trustees Malaysia Berhad

Registration number: 200701005591 (763590-H)



AmInvest

This Information Memorandum is dated 23 May 2023

Growing Your Investments in a Changing World

SUSTAINABLE SERIES – GLOBAL LOWER CARBON EQUITY FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

SOPHISTICATED INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY SOPHISTICATED INVESTORS, SEE SECTION 5: RISK FACTORS COMMENCING ON PAGE 41.

ABOUT THIS INFORMATION MEMORANDUM

This is an Information Memorandum which introduces you to AmFunds Management Berhad and the Sustainable Series – Global Lower Carbon Equity Fund (“Fund”), which is a wholesale fund. This Information Memorandum outlines in general what you would need to know about the Fund and is intended for the exclusive use by prospective Sophisticated Investors (as defined herein) who should ensure that all information contained herein remains confidential.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to anyone who is not a Sophisticated Investor.

Unless otherwise indicated, any reference in this Information Memorandum to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).

SOPHISTICATED INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF SOPHISTICATED INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS IMMEDIATELY.

DISCLAIMER

An investment in the Fund carries with it a degree of risk. The value of units and the income from it, if any, may go down as well as up, investment in wholesale fund involve risks including the risk of total capital loss and no income distribution. Sophisticated Investors should consider the risk factors set out under Section 5: Risk Factors.

Statements made in this Information Memorandum are based on the law and practices currently in force in Malaysia and are subject to changes in such law and practices.

Any references to a time or day in this Information Memorandum shall be a reference to that time or day in Malaysia, unless otherwise stated.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of units in the Fund other than those contained in this Information Memorandum or any supplemental document and, if issued, given or made, such advertisement, information or representations must not be relied upon

by an investor. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations in this Information Memorandum or any supplemental document will be solely at the risk of the Sophisticated Investor. Sophisticated Investors may wish to consult their independent professional adviser about the suitability of the Fund for their investment needs.

This Information Memorandum 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.

The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.

Personal Data

As part of our day to day business, we collect your personal information when you apply to open an account with us, subscribe to any of our products or services or communicate with us. In return, we may use this information to provide you with our products or services, maintain our records or send you relevant information. We may use your personal information which includes information on any transactions conducted with us, for one or more of the following purposes, whether in Malaysia or otherwise:

- a. Assess your eligibility or suitability for our products which you had applied for and to verify your identity or financial standing through credit reference checks;
- b. To notify you of more and up-to-date information such as improvements and new features to the existing products and services, development of new products, services and promotions which may be of interest to you;
- c. Manage and maintain your account(s) through regular updates, consolidation and improving the accuracy of our records. In this manner we can respond to your enquiries, complaints and to generally resolve disputes quickly so that we can improve our business and your relationship with us;
- d. Conduct research for analytical purposes, data mining and analyse your transactions / use of products and services to better understand your current financial / investment position and future needs. We will also produce data, reports and statistics from time to time, however such information will be aggregated so that your identity will remain confidential;
- e. Comply with the requirements of any law and regulations binding on us such as conducting anti-money laundering checks, crime detection / prevention, prosecution, protection and security;
- f. Enforcement of our rights to recover any debt owing to us including transferring or assigning our rights, interests and obligations under any of your agreement with us;
- g. In the normal course of general business planning, oversight functions, strategy formulation and decision making within AmBank Group;

- h. To administer and develop the Manager's and/or the Manager's associated companies within the AmBank Group business relationship with you;
- i. Outsourcing of business and back-room operations within AmBank Group and/or other service providers; and
- j. Any other purpose(s) that is required or permitted by any law, regulations, standards, guidelines and/or relevant regulatory authorities including with the trustee of the Fund.

Sophisticated Investors are advised to read our latest or updated Privacy Notice (notice provided as required under the Personal Data Protection Act 2010) available on our website at www.aminvest.com. Our Privacy Notice may be revised from time to time and if there is or are any revision(s), it will be posted on our website and/or other means of communication deemed suitable by us. However, any revision(s) will be in compliance with the Personal Data Protection Act 2010.

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1 DEFINITIONS

1915 Law	The Luxembourg Law of 10 August 1915 relating to commercial companies, as amended from time to time.
2010 Law	The Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended from time to time.
AFM, the Manager, us, our or we	AmFunds Management Berhad.
AmBank	AmBank (M) Berhad.
AmBank Group	Refers to AMMB Holdings Berhad and all its direct and indirect subsidiaries, including, but not limited to: AmBank (M) Berhad, AmBank Islamic Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmFunds Management Berhad, AmIslamic Funds Management Sdn Bhd, AmFutures Sdn Bhd, AmCard Services Berhad and AmGeneral Insurance Berhad.
AmInvest	The brand name for the funds management business of AMMB Holdings Berhad comprising AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd.
Article 8	The Target Fund complies with Article 8 of SFDR.
AUD	Australian Dollar.
Auditor	Has the same meaning as defined in the CMSA 2007.
Business Day	<p>A day on which the Bursa Malaysia and/or commercial banks in Kuala Lumpur are open for business.</p> <p>The Manager may declare certain Business Days to be non-Business Days although Bursa Malaysia and/or commercial banks in Kuala Lumpur are open, if the markets in which the Fund is invested in are closed for business. This is to ensure that investors are given a fair valuation of the Fund when making subscriptions or redemptions. This information will be communicated to you via our website at www.aminvest.com. Alternatively, you may contact our Customer Service at 603- 2032 2888.</p>
Classes	<p>Any number of class(es) of units representing similar interests in the assets of the Fund and Class means any one class of units.</p> <p>Classes that may be offered by the Fund are as follows:</p> <ul style="list-style-type: none"> • AUD-Hedged Class • AUD Class

	<ul style="list-style-type: none"> • EUR-Hedged Class • RM-Hedged Class • SGD-Hedged Class • USD Class <ul style="list-style-type: none"> • EUR Class • RM Class • SGD Class <p>As of the date of this Information Memorandum, only these three (3) Classes (each a “Class” and collectively “Classes”) will be offered for subscriptions:</p> <ul style="list-style-type: none"> • RM Class – a class issued by the Fund which is denominated in RM. • RM-Hedged Class – a class issued by the Fund which is denominated in RM and will be hedged against the base currency of the Fund. • USD Class – a class issued by the Fund which is denominated in USD.
CMSA 2007, CMSA, the Act	Capital Markets and Services Act 2007 and any amendments made thereto.
Company	HSBC Global Investment Funds, an open-ended investment company incorporated on 21 November 1986 under the laws of the Grand Duchy of Luxembourg as a <i>société anonyme</i> which qualifies as a <i>Société d’Investissement à Capital Variable</i> .
CRS	Common Reporting Standards.
CSSF	The <i>Commission de Surveillance du Secteur Financier</i> , the supervisory authority of the Company in Luxembourg.
Deed	The deed dated 11 November 2022 and supplemental deeds (if any) entered into between the Manager and the Trustee in relation to the Fund.
Equitisation	Cash equitisation may be used for the Target Fund and involves the use of financial derivative instruments such as index futures to achieve synthetic equity exposure for the purpose of avoiding performance drag from uninvested cash which typically provides lower returns than equities whilst searching for suitable investment opportunities.
ESG	Environmental, social and governance factors which can be considered as non-financial performance indicators which include ethical, sustainable and corporate government issues.
EU	The European Union.

EUR	Euro, the official currency of the EU.
FATCA	Foreign Account Tax Compliance Act.
Fund	Sustainable Series – Global Lower Carbon Equity Fund.
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States of America and the European Union.
Information Memorandum	Information memorandum of the Fund.
Investment Adviser	Investment Adviser of the Target Fund i.e. HSBC Global Asset Management (UK) Limited.
IUTA	Institutional Unit Trust Scheme Adviser registered with the Federation of Investment Managers Malaysia (FIMM) to market and distribute unit trust funds.
Latest Practicable Date (LPD)	31 March 2023.
Launch Date	The date of this Information Memorandum and is the date on which sales of units of the Fund may first be made; the Launch Date is also the date of constitution of the Fund.
Long-term	Refers to a period of at least five (5) years.
Management Company	Management Company of the Target Fund i.e. HSBC Investment Funds (Luxembourg) S.A.
Member State	A member state of the European Union. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the European Union.
MSCI World Index	Morgan Stanley Capital International World Index. <i>Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis</i>

	<i>should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).</i>
MYR, RM	Ringgit Malaysia.
NAV per unit	Net Asset Value attributable to a Class divided by the number of units in circulation of that Class, at the valuation point.
Net Asset Value (NAV)	The value of all the assets of the Fund less the value of all the liabilities of the Fund at a valuation point. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is inclusive of the management fee and trustee fee for the relevant day; where the Fund has more than one Class, there shall be a NAV attributable to each Class.
OECD	The Organisation for Economic Cooperation and Development.
p.a.	Per annum.
Redemption	Repurchase of units of the Fund.
SC, the SC	Securities Commission Malaysia.
SC Guidelines	Guidelines on the Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC, and shall include any amendments and revisions contained herein or made pursuant thereto.
SFDR	Sustainable Finance Disclosure Regulation: the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.
SFTR	Securities Financing Transactions Regulation: the Regulation (EU) 2015/2365 and of the Council of 25 November 2015 on transparency of securities financing

	transactions and of reuse and amending Regulation (EU) No 648/2012 as amended from time to time.
SICAV	Société d'Investissement à Capital Variable.
SGD	Singapore Dollar.
Sophisticated Investor(s)	Means any person who comes within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA or any categories of investors as may be defined by the SC from time to time and shall include any amendments and revisions contained herein or made pursuant thereto.
Special Resolution	<p>Means a resolution passed by a majority of not less than three-fourths of the Unit Holders present and voting at the meeting in person or by proxy.</p> <p>For the purposes of terminating the Fund or a Class of the Fund, "Special Resolution" is passed by a majority in number holding not less than three-fourths of the value of the votes cast by the Unit Holders present and voting at the meeting in person or by proxy.</p>
SRI	Sustainable and Responsible Investment.
Target Fund	HSBC Global Investment Funds – Global Lower Carbon Equity.
Taxonomy Regulation	Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as amended, supplemented, consolidated, superseded or otherwise modified from time to time.
Trustee	Deutsche Trustees Malaysia Berhad.
UCI	Undertakings for collective investment.
UCITS	An undertaking for collective investment in transferable securities.
UNGC	United Nations Global Compact.
Unit Holder(s), you	<p>The person(s) for the time being registered under the provisions of the Deed as a holder of units of the Fund including the joint holders, whose name appears in the Manager's register of Unit Holders.</p> <p>Please note that if a Sophisticated Investor invests through a distributor via nominee system of ownership, the Sophisticated Investor will not be deemed a Unit Holder under the Deed.</p>

US (United States) Person	A US citizen or resident individual, a partnership or corporation organized in the US or under the laws of the US or any State thereof, a trust if: (i) a court within the US 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 US as defined in the Malaysia-US IGA Guidance Notes on Compliance Requirements for Malaysia-US Intergovernmental Agreement on FATCA issued by Inland Revenue Board Of Malaysia dated 11 September 2015, including any amendments, guidelines and other administrative actions made thereunder.
USD	US Dollar.
Wholesale Fund	A fund, the units which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units have been made, exclusively to Sophisticated Investors.

2 CORPORATE DIRECTORY

MANAGER

AmFunds Management Berhad
Registration number: 198601005272
(154432-A)

Registered office
22nd Floor, Bangunan AmBank Group,
No. 55, Jalan Raja Chulan,
50200 Kuala Lumpur.
Tel: (03) 2036 2633

Business office
9th & 10th Floor, Bangunan AmBank
Group,
No. 55, Jalan Raja Chulan,
50200 Kuala Lumpur.
Tel: (03) 2032 2888
Fax: (03) 2031 5210
Email: enquiries@aminvest.com
Website: www.aminvest.com

TRUSTEE

Deutsche Trustees Malaysia Berhad
Registration number: 200701005591
(763590-H)

Registered office / Business office
Level 20, Menara IMC,
8 Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: (03) 2053 7522
Fax: (03) 2053 7526
Email: dtmb.rtm@db.com

TRUSTEE'S DELEGATE (CUSTODIAN)

Deutsche Bank (Malaysia) Berhad
Registration number: 199401026871
(312552-W)

Registered office / Business office
Level 18-20, Menara IMC,
No. 8, Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: (603) 2053 6788
Fax: (603) 2031 8710

3 THE FUND'S DETAILED INFORMATION

3.1 Fund Information

Fund Name	Sustainable Series – Global Lower Carbon Equity Fund.
Base Currency of the Fund	USD.
Fund Type	Growth.
Fund Category	Wholesale (feeder fund).
Investment Objective	<p>The Fund seeks to provide long-term capital growth.</p> <p><i>Notes: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
Investment Strategy	<p>The Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund's NAV in the Target Fund. This implies that the Fund has a passive strategy.</p> <p>The Fund is a qualified SRI fund. It invests in the Target Fund that adopts thematic investment in companies that have a lower carbon intensity. This includes screening, selection, monitoring and realization of the Target Fund's investments by the Investment Adviser. The Target Fund will adopt the following strategy to ensure that the companies that the Target Fund invests in are in line with the sustainability principles adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability principles.</p> <p>The Target Fund aims to provide long-term total return by investing in a portfolio of equities, while promoting ESG characteristics within the meaning of Article 8 of SFDR. The Target Fund aims to do this with a lower carbon intensity, calculated as a weighted average of the carbon intensities of the Target Fund's investments.</p> <p>In normal market conditions, the Target Fund invests a minimum of 90% of its net assets in accordance with the Lower Carbon Strategy, in equities and equity-equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in, or are listed on a regulated market in developed markets.</p> <p>The Target Fund aims for lower exposure to carbon intensive businesses through portfolio construction.</p>

The Target Fund uses a multi-factor investment process, based on five factors (value, quality, momentum, low risk and size), to identify and rank stocks in its investment universe with the aim of maximising the portfolio's risk-adjusted return. Although the investment process currently uses these five factors, it is subject to ongoing research regarding the current and potential additional factors. In order to lower the exposure to carbon intensive businesses, all stocks in the portfolio are assessed for their carbon intensity. A proprietary systematic investment process is then used to create a portfolio which maximizes the exposure to the higher ranked stocks and which aims for a lower carbon intensity, calculated as a weighted average of the carbon intensities of the Target Fund's investments, than the weighted average of the constituents of the Target Fund's reference benchmark (the "Lower Carbon Strategy").

More information on HSBC Asset Management's responsible investment policies is available at www.assetmanagement.hsbc.com/about-us/responsible-investing/policies. The policy outlines HSBC Asset Management's approach to sustainable investing, focusing on the ten principles of the UNGC. The UNGC sets out key areas of financial and non-financial risk: human rights, labour, environment and anti-corruption.

When assessing companies' carbon intensity, the Investment Adviser may rely on expertise, research and information provided by well-established financial data providers.

The Target Fund will not invest in companies involved in the production of tobacco or related activities.

The Target Fund normally invests across a range of market capitalisations without any capitalisation restriction.

The Target Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). The Target Fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the Target Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Target

	<p>Fund may invest. Financial derivative instruments may also be used for efficient portfolio management purposes.</p> <p>The Target Fund's investment strategy adopts the above investing strategy. If the Target Fund's investments become inconsistent with its investment strategies, the Investment Adviser shall dispose of the investment(s) within an appropriate timeframe.</p> <p>Even though the Fund is passively managed, the Fund's investments will be actively rebalanced from time to time to accommodate for subscription and redemption requests, price movements or due to reasons beyond Manager's control. During this period, the Fund's investment may differ from the stipulated asset allocation. Additionally, the Manager does not intend to take temporary defensive measure for the Fund during adverse market, economic, political or any other conditions to allow the Fund to mirror the performance of the Target Fund.</p> <p>The Manager may, in consultation with the Trustee and with the approval of the Unit Holders, terminate the Fund or replace the Target Fund with another fund that has similar objective if, in the Manager's opinion, the Target Fund no longer meets the Fund's investment objective. The replacement target fund must meet the requirements of the Guidelines on Sustainable and Responsible Investment Funds, where applicable. If the Target Fund no longer meets the requirements of the Guidelines on Sustainable and Responsible Investment Funds, the Fund's SRI status will be revoked.</p>
Asset Allocation	<ul style="list-style-type: none"> • A minimum of 85% of the Fund's NAV in the Target Fund; and • A maximum of 15% of the Fund's NAV in liquid assets such as cash and deposits. For clarification, deposit includes cash with bank which pays interest.
Performance Benchmark	<p>MSCI World Index. (available at www.aminvest.com)</p> <p><i>Note: The Target Fund is not benchmarked externally. The MSCI World Index is used as reference for comparative purposes only. The risk profile of the Fund is not the same as the risk profile of the reference benchmark.</i></p>
Income Distribution Policy	<p>Given the Fund's investment objective, the Classes of the Fund are not expected to pay any distribution. Distributions, if any, are at the Manager's discretion.</p>

	<p><u>RM and RM-Hedged Classes</u> Distribution, if any, can be in the form of cash (by telegraphic transfer) or units (by reinvestment into units of the respective Classes).</p> <p><u>Other Classes except for RM and RM-Hedged Classes</u> Distribution, if any, to be reinvested into units of the respective Classes.</p> <p><i>Notes: Income distribution amount (if any) for each of the Classes could be different and is subject to the sole discretion of the Manager. For RM and RM-Hedged Classes only, if income distribution earned does not exceed RM500, it will be automatically reinvested.</i></p>
Investor Profile	<p>The Fund is suitable for Sophisticated Investors seeking:</p> <ul style="list-style-type: none"> • potential capital appreciation over a long-term investment horizon; and • participation in the global equity market in companies that have a lower carbon intensity. <p><i>Note: Long-term refers to a period of at least five (5) years.</i></p>

3.2 Other Information

Launch Date	23 May 2023
Initial Offer Period	<p>A period of up to twenty-one (21) days commencing from the date units of the Fund are being offered for sale.</p> <p><i>Note: The Manager reserves the right to determine a shorter offer period and notify the Trustee. The decision for a shorter offer period is based on the sole discretion of the Manager.</i></p>
Initial Offer Price	<p>RM Class: RM1.0000 RM-Hedged Class: RM1.0000 USD Class: USD1.0000</p>
Financial Year End	30 November.
Permitted Investment	<p>As permitted under the Deed, the Fund will invest in any of the following investments:</p> <ol style="list-style-type: none"> the Target Fund or any collective investment scheme having a similar objective with the Fund; liquid assets which include but not limited to cash and deposits; financial derivatives for hedging purposes; and

	iv. any other kind of investments as permitted by the SC or any other relevant authorities from time to time which is in line with the investment objective of the Fund.
Investment Limits and Restrictions	The Fund must be invested in one (1) collective investment scheme.

4 INFORMATION ON HSBC GLOBAL INVESTMENT FUNDS – GLOBAL LOWER CARBON EQUITY (THE TARGET FUND)

Name of Target Fund	HSBC Global Investment Funds – Global Lower Carbon Equity.
Regulatory Authority	CSSF.
Management Company	HSBC Investment Funds (Luxembourg) S.A.
Investment Adviser	HSBC Global Asset Management (UK) Limited.
Domicile	Luxembourg.
Date of Establishment	27 September 2017
Name of Share Class	AC USD
Base Currency of the Target Fund	USD
Reference Benchmark	MSCI World Index.
Risk Management Method	Commitment approach.

4.1 About HSBC Global Investment Funds

The Target Fund is a sub-fund of HSBC Global Investment Funds (the “Company”). The Company is an open-ended investment company incorporated on 21 November 1986 under the laws of the Grand Duchy of Luxembourg as a *société anonyme* which qualifies as a SICAV. It also qualifies as an UCITS under Part I of the 2010 Law.

The Company is registered at the *Registre de Commerce et des Sociétés of Luxembourg* under number B 25 087.

The Company is a recognised collective investment scheme in the United Kingdom under the Financial Services and Markets Act 2000.

4.2 Management Company and Investment Adviser of the Target Fund

HSBC Investment Funds (Luxembourg) S.A., is the management company of the Target Fund to be responsible on a day-to-day basis under the supervision of the board of directors of the Target Fund, for providing administration, marketing, investment management and advice services in respect of all sub-funds of HSBC.

The Management Company was incorporated on 26 September 1988 as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and is registered with the register of commerce and companies under the number B28 888. Its articles of incorporation are deposited with the register of commerce and companies. The Management Company is authorised by the CSSF as a management company subject to chapter 15 of the 2010 Law. The share capital of the Management

Company is GBP 1,675,000.00 and will be increased to comply at all times with Article 102 of the 2010 Law.

The Management Company has delegated the administration functions to the administration agent and registrar and transfer agency functions to the registrar and transfer agent. The Management Company has delegated the marketing functions to the distributors and the investment management services to the investment advisers.

The Management Company has appointed HSBC Global Asset Management (UK) Limited as the Investment Adviser. The Investment Adviser make and implement asset management and portfolio selection recommendations in connection with the investment and reinvestment of the assets of the Company in the relevant sub-funds of HSBC.

The Management Company and the Investment Adviser are members of the HSBC Group, which serves customers worldwide in over 70 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa.

4.3 Investor Profile

The Target Fund may be suitable for investors with a medium to long-term investment horizon.

The Target Fund is intended for investors aiming for an investment where a high proportion of the assets may be invested in equity, equity-related securities or in bonds rated below investment grade in markets which may be subject to moderately high volatility.

The Target Fund may be suitable for investors looking for an investment to complement an existing core portfolio or as a standalone investment to gain exposure to a specific asset class.

4.4 Investment Objectives and Policies

The Target Fund aims to provide long-term total return by investing in a portfolio of equities, while promoting ESG characteristics within the meaning of Article 8 of SFDR. The Target Fund aims to do this with a lower carbon intensity¹, calculated as

¹ *The Target Fund aims for at least 50% carbon intensity reduction using S&P Trucost data, but this level is not guaranteed and may be subject to change. This is defined as the carbon emissions scope 1 + scope 2 (in tonnes) divided by the sales (in USD million) for each stock (expressed in Co2e / USD million revenue). Fund and benchmark values are aggregated on a weighted mean basis. Scope 1 is greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the companies and scope 2 is greenhouse gas emissions from consumption of purchased electricity, heat or steam by the companies. This methodology and metric are aligned to the Task Force on Climate-Related Financial Disclosures ("TCFD"). With regard to the level of carbon intensity, the carbon intensity*

a weighted average of the carbon intensities of the Target Fund's investments, than the weighted average of the constituents of the MSCI World Index (the Target Fund's reference benchmark).

The Target Fund invests in normal market conditions a minimum of 90% of its net assets in accordance with the Lower Carbon Strategy, in equities and equity-equivalent securities of companies which are domiciled in, based in, carry out the larger part of their business activities in, or are listed on a regulated market in developed markets.

The Target Fund aims for lower exposure to carbon intensive businesses through portfolio construction.

The Target Fund uses a multi-factor investment process², based on five factors (value, quality, momentum, low risk and size), to identify and rank stocks in its investment universe with the aim of maximising the portfolio's risk-adjusted return.

targets are integrated into the investment process of the Target Fund at the optimisation stage, applying an overall carbon intensity target for the entire investment portfolio of at least 50% reduction relative to the benchmark. This is achieved by integrating the portfolio-level carbon intensity constraint into the investment management process of the Target Fund. Thus, the Target Fund has an overall carbon intensity target to reduce the entire investment portfolio's carbon intensity score by at least 50% (S&P Trucost carbon emissions scope 1 + 2 scores) versus the benchmark.

² *The following is the summary of the quantitative investment process of the Target Fund:*

Step 1: Universe Ranking and Score Optimisation

The starting universe to construct the strategy is a list of investable stocks excluding companies involved in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions, anti-personnel mines, biological weapons, blinding laser weapons, chemical weapons and non-detectable fragments. Each stock in the universe is ranked from most to least attractive based on the five composite factors defined below.

Factor Definition

The multi-factor equity strategy is based on five well-established factors: value, quality, momentum, low risk and size.

- ◆ **Value:** *a composite value metric that differentiates between "expensive" and "cheap" stocks.*
- ◆ **Quality:** *a composite fundamental metric targeting companies that generate substantial profits both efficiently and sustainably.*
- ◆ **Momentum:** *a composite measure that differentiates stocks / sectors that have risen over the past 12-months from those that fell.*
- ◆ **Low Risk:** *a statistical metric that distinguishes between riskier and less risky stocks.*
- ◆ **Size:** *a composite that distinguishes between large and small cap stocks.*

Step 2: Portfolio Optimisation

Once the final ranking is determined, based on the multi-factor model, a portfolio optimisation process builds the final portfolio for implementation. The process also leverages the proprietary risk model and cutting-edge data infrastructure to ensure stability and speed for model portfolio production. The customised ESG criteria (sustainable exclusion but also profile enhancement) and carbon intensity reduction are seamlessly integrated into the optimisation process at this stage.

Although the investment process currently uses these five factors, it is subject to ongoing research regarding the current and potential additional factors. In order to lower the exposure to carbon intensive businesses, all stocks in the portfolio are assessed for their carbon intensity. A proprietary systematic investment process is then used to create a portfolio which maximizes the exposure to the higher ranked stocks and which aims for a lower carbon intensity, calculated as a weighted average of the carbon intensities of the Target Fund's investments, than the weighted average of the constituents of the Target Fund's reference benchmark (the "Lower Carbon Strategy").

More information on HSBC Asset Management's responsible investment policies is available at www.assetmanagement.hsbc.com/about-us/responsible-investing/policies. The policy outlines HSBC Asset Management's approach to sustainable investing, focusing on the ten principles of the UNGC. The UNGC sets out key areas of financial and non-financial risk: human rights, labour, environment and anti-corruption.

When assessing companies' carbon intensity, the Investment Adviser may rely on expertise, research and information provided by well-established financial data providers.

The Target Fund will not invest in companies involved in the production of tobacco or related activities.

The Target Fund normally invests across a range of market capitalisations without any capitalisation restriction.

The Target Fund may invest up to 10% of its net assets in units or shares of UCITS and/or other eligible UCIs.

The Target Fund may use financial derivative instruments for hedging and cash flow management (for example, Equitisation). The Target Fund may also use, but not extensively, financial derivative instruments for investment purposes. The financial derivative instruments the Target Fund is permitted to use include, but are not limited to, futures and foreign exchange forwards (including non-deliverable forwards). Financial derivative instruments may also be embedded in other instruments in which the Target Fund may invest. Financial derivative instruments may also be used for efficient portfolio management purposes.

The Target Fund can enter into securities lending transactions for up to 29% of its net assets, however, it is expected that this will not exceed 25%.

The Target Fund is actively managed and does not track a benchmark. The reference benchmark is used for the Target Fund market comparison purposes.

The Investment Adviser will use its discretion to invest in securities not included in the Target Fund's reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Target Fund's investments will be components of the Target Fund's reference benchmark. However, their weightings may deviate materially from those of the Target Fund's reference benchmark.

The deviation of the Target Fund's performance relative to the benchmark is monitored, but not constrained, to a defined range.

4.5 Investment Restrictions

General Investment Restrictions

- I. (1) The Company may invest in:
 - a. transferable securities and money market instruments admitted to or dealt in on a regulated market;
 - b. transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and open to the public;
 - c. transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the EU or dealt in on another market in a non-Member State of the EU which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the Company;
 - d. recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the markets has been provided for in the constitutional documents of the Company and such admission is secured within one year of the issue;
 - e. units of UCITS and/or other eligible UCIs, whether situated in a Member State or not, provided that:
 - such other eligible UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European community law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for unit holders in such other eligible UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 2009/65/EC, as amended,

- the business of such other eligible UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - no more than 10% of the assets of the UCITS or of the other eligible UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other eligible UCIs;
- f. deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European community law;
- g. financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in sub-paragraphs a), b) and c) and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to its investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- and/or
- h. money market instruments other than those dealt in on a regulated market and defined in the glossary of the prospectus of the Target Fund, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European central bank, the EU or the European investment bank, a non-Member State or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on regulated markets referred to in sub-paragraphs a), b) or c), or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the European community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by European community law, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any sub-fund in transferable securities or money market instruments other than those referred to under paragraph (1).

II. The Company may hold ancillary liquid assets.

III. a) (i) The Company will invest no more than 10% of the net assets of any sub-fund in transferable securities or money market instruments issued by the same issuing body.

(ii) The Company may not invest more than 20% of the net assets of any sub-fund in deposits made with the same body. The risk exposure of the Target Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph I. (1) f) or 5% of its net assets in other cases.

b) Moreover, where the Company holds on behalf of the Target Fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of the Target Fund, the total of all such investments must not account for more than 40% of the total net assets of the Target Fund.

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

Notwithstanding the individual limits laid down in paragraph a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for the Target Fund:

- investments in transferable securities or money market instruments issued by that body;
- deposits made with that body; or
- exposure arising from OTC derivative transactions undertaken with that body.

c) The limit of 10% laid down in sub-paragraph a) (i) is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its public local authorities, or by another eligible State or by public international bodies of which one or more Member States are members.

d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its

registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If the Target Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Target Fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any sub-fund's net assets.

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

The Company may cumulatively invest up to 20% of the net assets of the Target Fund in transferable securities and money market instruments within the same group.

- f) Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any sub-fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by any Member State, by one or more of its local authorities or agencies, a non-Member State of the EU or by another Member State of the OECD, Singapore or any member state of the G20 or by public international bodies of which one or more Member States of the EU are members, provided that the Target Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of the Target Fund.

- IV. a) Without prejudice to the limits laid down in section V., the limits provided in section III., are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of the Target Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Target Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or money market instruments

are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V.
- a) The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
 - b) The Company may acquire no more than:
 - 10% of the non-voting shares of the same issuer;
 - 10% of the debt securities of the same issuer;
 - 10% of the money market instruments of the same issuer.
 - c) These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other eligible state, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the third country of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), and c).

- VI.
- a) The Company may acquire units of the UCITS and/or other eligible UCIs referred to in paragraph I. (1) e), provided that no more than 10% of the Target Fund's net assets be invested in the units of UCITS or other eligible UCIs or in one single sub-fund of such UCITS or other eligible UCI (including target sub-funds as defined in section VII), unless otherwise provided in section "Sub-fund details" in the prospectus of the Target Fund.
 - b) The underlying investments held by the UCITS or other eligible UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth in section III.
 - c) Where the Company invests in shares or units of UCITS (including other sub-funds of the Company) and/or other eligible UCIs that are managed directly or indirectly by the Management Company itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then there will be no duplication of management, subscription or repurchase fees between the Company and the UCITS and/or other eligible UCIs into which the Company invests. In derogation of this, if the Company invests in shares of HSBC ETFs PLC, then there may be duplication of management fees for any sub-funds. The Company will indicate in its annual report the total

management fees charged both to the relevant sub-fund and to HSBC ETFs PLC.

If the Target Fund's investments in UCITS and other eligible UCIs constitute a substantial proportion of the Target Fund's assets, the total management fee (excluding any performance fee, if any) charged both to the Target Fund itself and the other UCITS and/or other eligible UCIs concerned shall not exceed 3.00% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Target Fund and to the UCITS and other eligible UCIs in which the Target Fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS or other eligible UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.
- e) To the extent that, pursuant to section "Sub-fund details" in the prospectus of the Target Fund, the Target Fund may invest more than 10% of its net assets in the units of UCITS or other eligible UCIs or in one single such UCITS or other eligible UCIs (including target sub-funds), the following will apply:
 - The Target Fund may acquire units of the UCITS and/or other eligible UCIs referred to in paragraph I (1) e), provided that no more than 20% of the Target Fund's net assets be invested in the units of a single UCITS or other eligible UCI.
 - For the purpose of the application of the investment limit, each compartment of a UCITS and/or UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
 - Investments made in units of other eligible UCIs may not in aggregate exceed 30% of the net assets of the Target Fund.

VII. The Target Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more sub-funds of the Company (each a target sub-fund) without the Company being subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:

- a) The Target Fund may not invest more than 10% of its net asset value in a single target sub-fund, this limit being increased to 20% if the Target Fund is permitted, pursuant to section "Sub-fund details" in the prospectus of the Target Fund, to invest more than 10% of its net assets in the units of UCITS or other eligible UCIs or in one single such UCITS or other eligible UCIs;
- b) The target sub-fund(s) do(es) not, in turn, invest in the Target Fund invested in this (these) target sub-fund(s);
- c) The investment policy(ies) of the target sub-fund(s) whose acquisition is contemplated does not allow such target sub-fund(s) to invest more than 10% of its(their) net asset value in UCITS and other eligible UCIs;
- d) Voting rights, if any, attaching to the shares of the target sub-fund(s) held by the Target Fund are suspended for as long as they are held by the Target

Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;

- e) In any event, for as long as these securities are held by the Target Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- f) There is no duplication of management / subscription or repurchase fees between those at the level of the Target Fund.

VIII. The Company shall ensure for the Target Fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Target Fund.

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

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section III.

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

- IX.
 - a) The Company may not borrow for the account of any sub-fund amounts in excess of 10% of the net assets of that sub-fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back-to-back loans.
 - b) The Company may not grant loans to or act as guarantor on behalf of third parties.
This restriction shall not prevent the Company from (i) acquiring transferable securities, money market instruments or other financial instruments referred to in paragraph I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities, that shall not be deemed to constitute the making of a loan.
 - c) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
 - d) The Company may not acquire movable or immovable property.
 - e) The Company may not acquire either precious metals or certificates representing them.
- X. a) The Company need not comply with the limits laid down in the above mentioned investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created sub-funds may derogate from paragraphs III.,

IV. and VI. a), b) and c) for a period of six months following the date of their creation.

- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.

Restrictions on the use of Techniques and Instruments

Financial derivative instruments may be used for investment, hedging and efficient portfolio management purposes. Securities lending and repurchase agreements in this section may be used for efficient portfolio management purposes.

Efficient Portfolio Management

Efficient Portfolio Management (“EPM”) refers to techniques and instruments which relate to transferable securities which fulfil the following criteria:

1. They are economically appropriate in that they are realised in a cost-effective way,
2. They are entered into for one or more of the following specific aims:
 - reduction of risk (e.g. to perform an investment hedge on a portion of a portfolio),
 - reduction of cost (e.g. be short term cash flow management or tactical asset allocation),
 - generation of additional capital or income, with a level of risk that is consistent with the risk profile of the Target Fund (e.g. securities lending and/or repurchase (and reverse repurchase) agreements where the collateral is not reinvested for any form of leverage).

The use of financial derivative instruments introduces an additional exposure of counterparty risk by the Target Fund, although this is managed through internal risk control mechanisms and according to the diversification and concentration requirements of the UCITS regulation.

The use of these EPM instruments / techniques does not change the objective of the Target Fund or add substantial risks in comparison to the original risk policy of the Target Fund.

Any EPM instruments / techniques are included within the Company's liquidity risk management process to ensure that the Company can continue to meet redemptions within the obligated timeframe.

HSBC Asset Management is responsible for managing any conflict that might exist such that conflicts are prevented from negatively impacting shareholders.

All revenues generated from EPM techniques are returned to the Target Fund. Revenues received by third party facilitators (e.g. third-party agent lenders or broker-dealers) or affiliates, must be commercially justifiable given the level of service.

SFTR

The Company will not enter into the following securities financing transactions (“SFT(s)”) in accordance with the definitions described in the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on

transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as amended from time to time:

- repurchase and reverse repurchase agreement transactions;
- buy-sell back / sell-buy back transactions;
- margin lending.

In case the Company decides to use any of the SFTs, the prospectus of the Target Fund will be updated accordingly.

The maximum percentage of the Target Fund's net assets that could be subject to various SFTs in accordance with SFTR (as amended from time to time) are provided for the Target Fund in section "Sub-fund details" in the prospectus of Target Fund. Sub-funds for which this information is not disclosed will not engage in such transactions.

Global Exposure

The global exposure of the Target Fund relating to derivative instruments may not exceed the net assets of the relevant Target Fund.

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

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in item III. a) to e) of Section 4.5 Investment Restrictions sub-section General Investment Restrictions. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in item III. a) to e) of Section 4.5 Investment Restrictions sub-section General Investment Restrictions.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements set out in the preceding sub-paragraph.

Total Return Swaps

The Target Fund may, to the extent permitted by its investment policy, enter into total return swaps, in order to achieve its investment objective. In particular, a total return swap may be used to replicate the exposure to an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows.

The total return swap may be applied to transferable securities and cash held by the relevant Target Fund.

For all sub-funds using instruments that might swap the performance of one asset into the performance of another (a total return swap), the underlying exposure(s) of the total return swap, or an instrument with similar characteristics, is taken into account when considering the sub-funds' investment limits.

When trading total return swaps, the Investment Adviser shall trade with a counterparty that has been approved for OTC Financial Derivative Instruments ("FDIs") trading by the Investment Adviser. As part of the Investment Adviser's investment process, the Investment Adviser approves counterparties through its internal approval and selection process.

The approval and selection process for OTC FDI counterparties is a dynamic assessment of counterparties based on various criteria. Criteria used for approval of

counterparties may include, but are not limited to, a counterparty's relative strength of credit and regulatory risk profile; ability to provide liquidity, and execution of specialized trades; accessibility, speed and responsiveness; willingness to compromise, and to resolve escalated issues; quality and value of research or financial markets information provided; span of markets covered and depth of coverage on covered markets; efficiency of trade settlement operations; system capabilities. The legal status, country of origin and minimum credit rating of the counterparty will also be taken into account in the selection process. Details of the selection criteria and a list of approved counterparties are available from the registered office of the Management Company.

Generally, the Company shall ensure that any total return swap is traded under approved HSBC Group's standard documentation wherein:

- a. a collateral is valued according to a valuation schedule or similar mechanism;
- b. exposure of the total return swap is calculated daily on a mark-to-market basis, and
- c. the variation margin is valued and exchanged daily, subject to the terms of the applicable derivatives trading contract.

All the assets subject to total return swaps will be recorded as assets of the relevant Target Fund in the books of the depository bank. Collateral, if any, will be held in a separate collateral cash or securities account opened in the name of the Target Fund in the books of the depository bank.

The aim is to use total return swaps on a temporary basis only, depending on market opportunities and as deemed relevant by the Investment Adviser to achieve the relevant Target Fund's investment objective.

All revenues, profits and losses generated through the use of total return swaps shall be retained by the relevant Target Fund.

Securities Lending

The Target Fund may for the purpose of generating additional capital or income (either through the fee paid by the borrowers or the reinvestment of the cash collateral) or for reducing costs participate in securities lending subject to complying with the provisions set forth in SFTR, ESMA's Guidelines of 1 August 2014 on ETFs and other UCITS issues (ESMA/2014/937EN) (the "ESMA Guidelines on ETFs and other UCITS issues"), CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments and CSSF Circular 14/592 relating to the ESMA Guidelines on ETFs and other UCITS issues (the "CSSF Circular 14/592") and any other applicable laws, regulations, circulars or CSSF positions as may be amended or replaced.

The Management Company can decide which sub-fund should participate in a securities lending programme in which securities are transferred temporarily to approved borrowers approved by the Management Company in exchange for collateral. Any of the transferable securities (e.g. equities and equity-related instruments, fixed income instruments) shares / units of UCIs or money market instruments belonging to the Target Fund which the Company's securities lending agent (the lending agent) deems lendable, may be subject to securities lending, excluding any securities or collateral issued by any entity in the HSBC Group and any collateral received pursuant to a financial derivative contract.

The aim is to use securities lending on a continuous basis. The proportion of the Target Fund's net assets subject to securities lending transactions is typically intended to be around 25%. This proportion may however be dependent on factors such as, the Target Fund's total net assets, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market. During periods of little or no demand from the market to borrow the underlying securities, the proportion of the Target Fund's net assets subject to securities lending may be lower, while there may also be periods of higher demand, in which case this proportion may be higher.

The risks related to the use of securities lending and the effect on shareholders' returns are described under section "General risk considerations" in the prospectus of the Target Fund.

The lending agent, shall receive a fee of 15% of the gross revenue for its services related to securities lending and the Management Company a fee of 10% of the gross revenue for the oversight work undertaken in relation to securities lending. The remainder (i.e. 75%) of the gross revenue is received by the relevant sub-funds taking part in the securities lending programme. The revenue received by the sub-funds arising from securities lending transactions as well as the identity of the lending agent will be specified in the Company's semi-annual and annual reports.

The Management Company and the lending agent are part of the HSBC Group. As a result, the Management Company may be exposed to a conflict of interest in as far that such a set-up would result in additional remuneration for the HSBC Group to which the Management Company and the lending agent belong. In this context, the Management Company and the lending agent have procedures in place for managing conflicts of interest in order to prevent that they may negatively impact shareholders.

The approval and selection process for counterparties to securities lending is a dynamic assessment of counterparties based on various criteria. Criteria used for approval of counterparties may include, but are not limited to, a counterparty's minimum credit rating, country of origin, accessibility, execution of specialized trade and regulatory risk profile. Where the Target Fund uses securities lending, the maximum and the expected proportion of assets under management of the Target Fund that could be subject to securities lending will be set out for the Target Fund in section "Sub-fund details" in the prospectus of the Target Fund.

Securities held for the Target Fund that are the subject of securities lending will be held in custody by the depositary bank (or a sub-custodian on the behalf of the depositary bank) in a registered account opened in the depositary bank's books for safekeeping.

Repurchase Transactions

To the maximum extent allowed by, and within the limits set forth in, the regulations, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 relating to undertakings for collective investments (ii) SFTR (iii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments (iv) ESMA Guidelines on ETFs and other UCITS issues and (v) CSSF Circular 14/592 (as these pieces of regulations may be amended, supplemented or replaced from time to time), the Target Fund may for the purpose

of generating additional capital or income or for reducing costs or risks and subject to the relevant laws and regulations enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions (it is not currently the intention of the Company to engage the Target Fund in such transaction).

Collateral

Under the investment advisory agreements, the Investment Adviser has authority to agree the terms for collateral arrangements, duly advising the Management Company of what arrangements have been made, for purposes of managing counterparty risk where transactions in OTC FDIs have been executed. Transactions in FDIs can only be executed with approved counterparties. Such transactions will at all times be governed by approved group standard documentation such as a legally enforceable bilateral ISDA, and an accompanying Credit Support Annex (“CSA”) where it has been agreed that collateral will form part of the transaction.

Assets received by the Company as collateral in the context of EPM techniques and in the context of OTC FDIs will comply with the following criteria at all times:

- a. Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of paragraph V of Section 4.5 Investment Restrictions sub-section General Investment Restrictions.
- b. Valuation: eligible collateral, as determined is valued daily by an entity that is independent from the counterparty on a mark-to-market basis.
- c. Issuer credit quality: non-cash collateral received is of high credit quality (at least A3 and A-).
- d. Haircut policy: haircuts will take into account the characteristics of the assets such as the credit standing or the price volatility. Assets that exhibit high price volatility will not be accepted by the Company as collateral unless suitably conservative haircuts are in place. Haircuts are reviewed by the Management Company on an ongoing basis to ensure that they remain appropriate for eligible collateral taking into account collateral quality, liquidity and price volatility. For cash collateral, no haircut will apply.
- e. Correlation: collateral received by the Company is issued by an entity that is independent from the counterparty or by one that is expected not to display a high correlation with the performance of the counterparty.
- f. Diversification: collateral received by the Company will remain sufficiently diversified such that no more than 20% of the net asset value of the Target Fund will be held in a basket of non-cash collateral (and reinvested collateral) with the same issuer.
- g. Enforceability: collateral received by the Company is capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- h. Non-cash collateral received should not be sold, reinvested or pledged.
- i. Reinvestment of cash collateral: where received by the Company, reinvested cash collateral will remain sufficiently diversified in accordance with the diversification requirements applicable to non-cash collateral and may only be:

- placed on deposit with credit institution having its registered office in a country which is a Member State or with a credit institution having its registered office in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European community law;
- invested in short-term money market funds as defined in Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds approved by the Management Company. The Management Company may delegate authority to the securities lending agent to invest cash collateral into qualifying HSBC products.

As of the date of the prospectus of the Target Fund, the Company only receives cash as collateral and cash collateral will not be reused except as stated below in respect of securities lending.

Cash collateral received as part of securities lending transactions may be reinvested for the account of the relevant Target Fund in eligible money market funds or placed on deposit with an eligible credit institution. In case of cash collateral reinvestment, all risks associated with a normal investment will apply.

- j. The Target Fund that receives collateral for at least 30% of its net assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral.

This stress testing policy will:

- ensure appropriate calibration, certification and sensitivity analysis;
 - consider an empirical approach to impact assessment, including back-testing of liquidity risk estimates;
 - establish reporting frequency and limit / loss tolerance threshold/s; and
 - consider mitigation actions to reduce loss including haircut policy and gap risk protection.
- k. Other risks - other risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process.
- l. Collateral received by the Company sub-funds in respect of securities lending arrangements with HSBC Bank plc (acting as agent through its securities services) will comply with the haircut requirements whereby cash collateral will be subject to a minimum positive haircut of 102% and eligible non-cash collateral will be subject to a minimum positive haircut of 102% for fixed income securities, 105% for equities, money market securities and ETFs.

Additional Restrictions

i. Regulation in Hong Kong SAR

Although the Company is now authorised in Luxembourg as a UCITS under the 2010 Law and the prospectus of the Target Fund has been updated to incorporate new investment restrictions, for as long as the Company and the sub-funds remain authorised by the Securities and Futures Commission (“SFC”) in Hong Kong SAR and unless otherwise approved by the SFC, the Management Company confirms its intention to operate the sub-funds authorised in Hong Kong SAR (other than the sub-funds exercising the wider derivatives powers as indicated in the relevant investment

objective of such sub-funds) in accordance with the investment principles of chapter 7 of the Hong Kong SAR code on unit trusts and mutual funds and to comply with any other requirements or conditions imposed by the SFC in respect of the relevant sub-funds.

For as long as the Company and the sub-funds remain authorised by the SFC, the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

Unless otherwise indicated in the investment objective of any sub-fund in section “Sub-fund details” in the prospectus of the Target Fund, investments in China A-shares and B-shares dealt in on the stock exchanges in China (excluding Hong Kong SAR) shall not exceed 10% of the net asset value of any sub-fund (including indirect exposure). At least one month' prior notice will be given to relevant shareholders before any increase in exposure to China A-shares and B-shares can be made.

SFC authorised sub-funds which are classified as bond sub-funds (Article 6), bond sub-funds (Article 8 or Article 9), multi-asset sub-funds (Article 8 or Article 9) or other sub-funds (Article 6) in section “List of sub-funds available” in the prospectus of the Target Fund may only invest less than 30% of the respective sub-fund's net asset value in debt instruments with loss-absorption features including, but not limited to, contingent convertible securities; additional tier 1 or tier 2 capital instruments; total loss-absorbing capacity eligible instruments; and certain senior non-preferred debt. The net derivative exposure, as defined by the SFC, of each SFC authorised sub-fund will not exceed 50% of the respective sub-fund's net asset value.

ii. Rule 144A

The sub-funds may invest in Rule 144A Securities under the conditions that:

- such securities are either admitted to official listing on a regulated market or are dealt in on another regulated market which operates regularly and is recognised and open to the public;
- such securities respect point 17 of “CESR's Guidelines concerning eligible assets for investment by UCITS”, dated March 2007.

Investment in Rule 144A Securities, which would not comply with any of the above conditions, shall, together with the eligible transferable securities, not exceed 10% of any sub-fund's net asset value.

iii. Prohibited Securities

In accordance with the Luxembourg law of 4 June 2009 ratifying the Oslo Convention of 3 December 2008 relating to cluster munitions and HSBC Asset Management policy, the Company will not invest in the securities of companies considered to be involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of weapons banned by international convention. The HSBC Asset Management policy as amended from time to time is available at: www.assetmanagement.hsbc.com/about-us/responsible-investing/policies. This policy applies to direct investment in securities and the Investment Adviser will seek to apply it on an indirect basis when investing in UCITS and/or other eligible UCIs.

4.6 Integration of Sustainability Risks into Investment Decisions

As set out in the SFDR, the Management Company is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Target Fund. A sustainability risk is defined in the SFDR as an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

The Management Company has adopted HSBC Asset Management's responsible investment policy and related Responsible Investment Policy Implementation Procedures (the "Policy") in the integration of sustainability risks into investment decisions for the Target Fund. The Investment Adviser integrates this on behalf of the Management Company and have adopted the Policy and therefore integrate sustainability risks into their investment decisions.

The Policy outlines HSBC Asset Management's approach to sustainable investing, focusing on the ten principles of the UNGC. The UNGC sets out key areas of financial and non-financial risk: human rights, labour, environment and anti- corruption. The Investment Adviser uses third party screening providers to identify companies with a poor track record in these areas of risk and, where potential sustainability risks are identified, the Investment Adviser also carry out their own due diligence. Sustainability risks are monitored on an ongoing basis as part of the Investment Adviser's portfolio management strategy generally.

The Investment Adviser has a duty to act in the best long-term interests of shareholders. The Investment Adviser believes that sustainability risks can affect the performance of investment portfolios across companies, sectors, regions and asset classes through time. While the Target Fund has its own investment objective, the Investment Adviser's goal is to provide shareholders with competitive risk-adjusted returns over the long-term. To achieve this, the Investment Adviser will conduct thorough financial analysis and comprehensive assessment of sustainability risks as part of a broader risk assessment for the Target Fund, where relevant.

For more information, please refer to the Policy which can be found on HSBC Asset Management's website.

4.7 Taxonomy Regulation

The Taxonomy Regulation was established to provide an EU-wide classification system which provides investors and investee companies with a common language to identify whether certain economic activities can be considered environmentally sustainable.

The Taxonomy Regulation introduces additional disclosure requirements in respect of Article 8 and Article 9 SFDR sub-funds. For Article 6 SFDR sub-funds, the investments underlying these sub-funds do not take into account the EU criteria for

environmentally sustainable economic activities. However, as disclosed in the Section 4.6 Integration of Sustainability Risks into Investment Decisions, the Investment Adviser integrates sustainability risk considerations into the management of these sub-funds.

Under the Taxonomy Regulation, an economic activity will be considered to be environmentally sustainable where it:

1. contributes substantially to one or more defined environmental objectives;
2. does not significantly harm any of the environmental objectives;
3. complies with certain minimum social safeguards; and
4. complies with specified performance thresholds known as technical screening criteria.

For points 1 and 2 above, the Taxonomy Regulation defines the environmental objectives into six areas of sustainable investments:

- ◆ climate change mitigation; and
- ◆ climate change adaptation.
- ◆ sustainable use and protection of water and marine resources;
- ◆ transition to a circular economy;
- ◆ pollution prevention and control; and
- ◆ protection and restoration of biodiversity and ecosystems.

From 1 January 2022, the Taxonomy Regulation is limited in its application to only to the first two environmental objectives – climate change mitigation and climate change adaptation, as defined under the Taxonomy Regulation. The remaining four environmental objectives will apply from 1 January 2023.

Some of the Company's sub-funds may make investments that the Investment Adviser's considers contribute to these four environmental objectives (i.e. the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems). However, the technical screening criteria for these environmental objectives set out in the Taxonomy Regulation are not yet developed as the Taxonomy Regulation will only apply from 1 January 2023 in respect of these environmental objectives.

Furthermore, the Investment Adviser may also make environmentally sustainable investments that do not qualify as environmentally sustainable under the Taxonomy Regulation.

As part of their investment strategy, the Target Fund intends to make taxonomy-aligned investments that contribute to the environmental objectives of climate change mitigation and/or climate change adaptation. This Target Fund has a commitment to invest in activities that, with effect from 1 January 2022, will be classified by the Taxonomy Regulation as activities that contribute substantially to climate change mitigation and/or climate change adaptation.

For the Target Fund that intends to make investments in activities that contribute to the two environmental objectives of the Taxonomy Regulation relating to climate change mitigation and climate adaptation, information on how the Target Fund intends to invest in environmentally sustainable investments contributing to these environmental objectives is described in the Target Fund's investment objective or policy.

However, the Target Fund cannot, at this time, make any statements about the proportion of underlying investments that are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation or the proportion of their total investments that are aligned with the Taxonomy Regulation (which includes the enabling and transitional activities referred to in the Taxonomy Regulation), due to:

- full reporting of investee companies on taxonomy-alignment pursuant to article 8 of the Taxonomy Regulation will not commence until 2024 pursuant to the draft article 8 Taxonomy Regulation delegated act;
- the SFDR Regulatory Technical Standards (including the taxonomy-related disclosures to be incorporated by the Taxonomy RTS), which are meant to set out i) how to disclose the information required by articles 5 and 6 of the Taxonomy Regulation (i.e. by way of templates to be included in the pre- contractual disclosures and annual report) and ii) the methodology how to calculate to what extent the underlying investments are taxonomy-aligned, have been postponed to 1 January 2023.

The prospectus of the Target Fund will be updated once it becomes possible to accurately disclose this information.

The “do no significant harm” principle applies only to those investments underlying the Target Fund that take into account the EU criteria for environmentally sustainable economic activities. Similarly, for the reasons set out above, it is not possible to make any statement in respect of the Target Fund about the “do no significant harm” principle at this time.

The investments underlying the remaining portion of the Target Fund does not take into account the EU criteria for environmentally sustainable economic activities.

4.8 Suspension of the Calculation of the Net Asset Value and/or the Issue, Allocation, Conversion, Redemption and Repurchase of Shares

The Management Company, on behalf of the Company and having regard to the best interest of the shareholders of the class / Target Fund, may suspend the calculation of the net asset value per share relating to the class / Target Fund and/or the issue, allocation, conversion, redemption and repurchase of shares relating to the Target Fund as well as the right to convert shares relating to a class of the Target Fund into shares of another sub-fund (or to a class of that sub-fund) (as per section “How to convert between sub-funds / classes” in the prospectus of the Target Fund):

- ◆ during any period when any market(s) or stock exchange(s), which is the principal market(s) or stock exchange(s) on which a material part of the investments (e.g. 20% or above) of the relevant Target Fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- ◆ during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant Target Fund by the Company is not possible;
- ◆ during any breakdown in the means of communication normally employed in determining the price of any of the relevant Target Fund's investments or the current prices on any market or stock exchange;
- ◆ during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Target Fund's investments is not possible;
- ◆ if the Company or the Target Fund or class is being or may be wound up on, or following the date on which notice is given (i) of the general meeting of shareholders at which a resolution to wind-up the Company or the Target Fund or class is to be proposed or (ii) to wind-up the Company or the Target Fund or class if such decision is taken by the board of directors of the Target Fund;
- ◆ during any period when in the opinion of the board of directors of the Target Fund there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of the Target Fund of the Company;
- ◆ during any period when the determination of the net asset value per share of underlying investment funds representing a material part of the assets of the relevant Target Fund is suspended;
- ◆ during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Target Fund is suspended;
- ◆ in the case of a merger, if the board of directors of the Target Fund deems this to be justified for the protection of the shareholders;
- ◆ during any other circumstance or circumstances where a failure to do so might result in the Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Company or its shareholders might not otherwise have suffered;
- ◆ for any other reason the prices of the investments held or contracted for the account of the Target Fund cannot, in the opinion of the board of directors of the Target Fund, reasonably, promptly or fairly be ascertained; or
- ◆ during the suspension of the issue, allocation and redemption of shares of, or the right to convert shares of, or the calculation of the net asset value of a fund qualifying as master UCITS in accordance with the applicable Luxembourg laws and regulations in which the relevant Target Fund invests.

The Company may cease the issue, allocation, conversion, redemption and repurchase of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

Shareholders who have requested conversion, redemption or repurchase of their shares will be promptly notified in writing of any such suspension and termination thereof.

Conversion, redemption and repurchase requests shall be revocable by the shareholder in the event of a suspension of the calculation of the net asset value.

4.9 Fees Charged by the Target Fund

Sales Charge	Up to 5.00%
Redemption Fee	Nil.
Switching Fee	0.50%
Management Fee	0.80% p.a. of the net asset value of the Target Fund.
Operating, Administrative and Servicing Expenses	0.35%
Target Fund Expenses	Other expenses may also be charged by the Target Fund (as described in section on charges and expenses in the prospectus of the Target Fund).

For detailed information of the Target Fund as may be updated and amended from time to time, please refer to the Target Fund's prospectus available on www.assetmanagement.hsbc.com.

5 RISK FACTORS

All investments carry some degree of risk. Therefore, before making an investment decision, you may consider the different types of risk that may affect the Fund or you individually.

General risks associated with investing in a wholesale fund	
Market Risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.
Inflation Risk	This is the risk that Sophisticated Investors' investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce Sophisticated Investors' purchasing power even though the value of the investment in monetary terms has increased.
Manager's Risk	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
Non-Compliance Risk	<p>This is the risk of the manager or the trustee not complying with their respective internal policies, the deed and its supplemental deed, securities law or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the fund when the manager or the trustee takes action to rectify the non-compliance. For example, non-compliance could occur due to factors such as human error or shortfalls in operational and administrative processes, or external factors such as market movements.</p> <p>This risk may be mitigated by having sufficient internal controls in place to ensure compliance with all applicable requirements at all times.</p>
Loan Financing Risk	This risk occurs when investors take a loan / financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset

General risks associated with investing in a wholesale fund	
	<p>value per unit at the point of purchase towards settling the loan / financing.</p> <p><i>Note: The Manager does not provide financing for the purchase of units of the Fund. However, if an investor obtains financing from other providers, this is the risk that the investor should be aware of.</i></p>
Country Risk	<p>Investments of the fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the fund in those affected countries. This in turn may cause the net asset value or prices of units to fall.</p>

Specific risks associated with the investment portfolio of the Fund	
Risk of a Passive Strategy	<p>As the Fund adopts a passive strategy of investing a minimum of 85% of its NAV into the Target Fund at all times, this strategy would result in the Fund being exposed to the risk of its NAV declining when the Target Fund's net asset value declines. This is because the Fund is closely mirroring the performance of the Target Fund and will not be adopting any temporary defensive strategies in response to such declines. All investment decisions are left with the fund manager of the Target Fund.</p>
Risk of not meeting the Fund's Investment Objective	<p>This is the risk that the Fund may deviate from the intended investment objective, the Manager may liquidate the investments in the Target Fund and hold 100% of the Fund's NAV in cash, in order to protect the Unit Holders' interest, under circumstances including but not limited to the following:</p> <ol style="list-style-type: none"> a. there is an adverse change to the regulatory and political regime in which the Target Fund operates; b. there is a material change to the investment objective of the Target Fund; and c. there is an unfavourable change to the feature of the Target Fund (e.g. fees, distribution policy) <p>Subsequently, the Manager, in consultation with the Trustee will decide on whether to terminate the Fund or replace the Target Fund with a new target fund.</p>

Specific risks associated with the investment portfolio of the Fund	
	<i>Note: A replacement of the Target Fund would require Unit Holders' approval. The termination of the Fund would be carried out in accordance with the relevant laws and the provisions of the Deed.</i>
Currency Risk	<p>As the Fund offers multiple currency Classes, certain Class(es) would be exposed to currency risk. This is the risk associated with investments in certain Class(es) of the Fund which is denominated in currency different from the base currency of the Fund. When the base currency of the Fund depreciates against the denomination currency of certain Class(es), the Class(es) will suffer currency losses. This is in addition to any gains or losses derived from the Fund's investment in the Target Fund.</p> <p>The Manager may at its discretion hedge the currency exposure of any of the Class(es) against the base currency of the Fund to mitigate currency risk for the benefit of the Class(es).</p> <p>However, it should be noted that the Fund's investment in the Target Fund may still be exposed to currency gains or losses resulting from fluctuations in foreign exchange rates between the base currency of the Target Fund and the other currencies which the Target Fund may be exposed to.</p>
Income Distribution Risk	It should be noted that the distribution of income is not guaranteed. Circumstances preventing the distribution of income include, among others, insufficient realised returns to enable income distribution. As per the SC Guidelines, distribution of income should only be made from realised gains or realised income.
Liquidity Risk	The Fund will be investing a minimum of 85% of its assets in the Target Fund. There may be exceptional circumstances, which could cause delays in the redemption of shares of the Target Fund and units of the Fund. In the event of exceptional circumstances such as suspension of calculation of net asset value of the Target Fund, no shares of the Target Fund will be redeemed.

Note: The abovementioned risks which Sophisticated Investors should consider before investing into the Fund should not be considered to be an exhaustive list. Sophisticated Investors should be aware that investments in the Fund may be exposed to other risks of an exceptional nature from time to time.

Specific risks associated with the Target Fund	
Market Risk	<p>There is no guarantee in respect of repayment of principal and the value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.</p>
Emerging Markets	<p>Because of the special risks associated with investing in emerging markets, the Target Fund which invest in such securities should be considered speculative. Investors in the Target Fund are advised to consider carefully the special risks of investing in emerging market securities. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.</p> <p>Brokerage commissions, custodial services and other costs relating to investment in emerging markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require the Target Fund to accept greater custodial risks in order to invest, although the depositary bank will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of the Target Fund to make intended securities purchases due to settlement problems could cause the Target Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the Target Fund due to subsequent declines in value of the portfolio security or, if the Target Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.</p> <p>The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and</p>

Specific risks associated with the Target Fund

prices for the Target Fund's securities in such markets may not be readily available.

Investors should note that changes in the political climate in emerging markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in the Target Fund so affected.

Investors in emerging markets sub-funds should be aware of the risk associated with investment in Russian equity securities. Markets are not always regulated in Russia and, at the present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

The relevant sub-funds will therefore only invest up to 10% of their net asset value directly in Russian equity securities (except if they are listed on the MICEX - RTS Exchange in Russia and any other regulated markets in Russia which would further be recognised as such by the Luxembourg supervisory authority) while the sub-funds will invest in American, European and Global Depositary Receipts, respectively ADRs, EDRs or GDRs, where underlying securities are issued by companies domiciled in the Russian Federation and then trade on a regulated market outside Russia, mainly in the United States of America or Europe. By investing in ADRs, EDRs and GDRs, the sub-funds expect to be able to mitigate some of the settlement risks associated with the investment policy, although other risks, e.g. the currency risk exposure, shall remain.

The sub-funds' investments are spread among a number of industries however the Brazil, Russia, India and China (including Hong Kong SAR) countries' markets are comprised of significant weightings in the natural resources sectors. This means that the sub-funds' investments may be relatively concentrated in these sectors and the performance of the sub-funds could be sensitive to movements in these sectors. Risks of sector concentration are outlined below. In selecting companies for investment, a company's financial strength, competitive position, profitability, growth prospects and quality of management will typically be evaluated.

Specific risks associated with the Target Fund

Foreign Exchange Risk

Because the Target Fund's assets and liabilities may be denominated in currencies different to the base currency of the Target Fund, the Target Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency of the Target Fund and other currencies. Changes in currency exchange rates may influence the value of the Target Fund's shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the base currency of the Target Fund, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

The Target Fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Target Fund from benefiting from the performance of the Target Fund's securities if the currency in which the securities held by the Target Fund are denominated rises against the base currency of the Target Fund. In case of a hedged class, (denominated in a currency different from the base currency of the Target Fund), this risk applies systematically.

Counterparty Risk

The Company on behalf of the Target Fund may enter into transactions in over-the-counter markets, which will expose the Target Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the Target Fund may enter into repurchase agreements, securities lending, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Target Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In addition, some fixed income structures such as asset backed securities can incorporate swap contracts that involve counterparty risk. In the event of a bankruptcy or insolvency of a counterparty, the Target 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 Company seeks to enforce its rights, inability to realise any gains on its

Specific risks associated with the Target Fund	
	<p>investment during such period and fees and expenses incurred in enforcing its rights.</p> <p>There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as direct swap contracts or swap contracts embedded in other fixed income structures entered into by the Company on behalf of the Target Fund on the advice of the Investment Adviser involve credit risk that could result in a loss of the Target Fund's entire investment as the Target Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised. The Company employs a variety of mechanisms to manage and mitigate counterparty risk including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Counterparty approval using external credit ratings and/or a credit review consisting of three years' worth of audited financial accounts; 2. Counterparties are also reviewed at least annually to ensure that they remain appropriate for the requirements of the business. Counterparties are monitored on a continual basis and any adverse information concerning the credit worthiness of approved counterparties is considered as a matter of urgency; 3. Counterparty exposures are monitored on a daily basis by a function independent of the front office; <p>Exposures may also be managed through a collateral and margining arrangement supported by appropriate and legally enforceable trading agreements.</p>
Risks associated with Government or Central Banks' Intervention	Changes in regulation or government policy leading to intervention in the currency and interest rate markets (e.g. restrictions on capital movements or changes to the way in which a national currency is supported such as currency de-pegging) may adversely affect some financial instruments and the performance of the Target Fund of the Company.
Volatility	The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Specific risks associated with the Target Fund	
Futures and Options	<p>Under certain conditions, the Company may use options and futures on securities, indices and interest rates, for the purpose of investment, hedging and efficient portfolio management. In addition, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.</p> <p>Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.</p> <p>Transactions in options also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.</p>
Total Return Swaps	<p>The Target Fund may utilise total return swaps to, inter alia, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Adviser. At no time will a counterparty in a transaction have discretion over the composition or the management of the Target Fund's investment portfolio or over the underlying asset of the total return swap.</p>
OTC Financial Derivative Transactions	<p>In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions.</p>

Specific risks associated with the Target Fund

Therefore, the Target Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Target Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of these measures, the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Target Fund will not sustain losses as a result.

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

Securities Lending and Repurchase Transactions

To the extent that the Company uses any of the techniques and instruments set out in Section 4.5 Investment Restrictions subsection Restrictions on the Use of Techniques and Instruments, their use may involve certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In relation to reverse repurchase transactions, investors must notably be aware that (a) in the event of the failure of the counterparty with which cash of the Target Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Target Fund to meet redemption requests, security purchases or, more generally, reinvestment;

Specific risks associated with the Target Fund	
	<p>and that (c) reverse repurchase transactions will, as the case may be, further expose the Target Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of the prospectus of the Target Fund.</p> <p>In relation to repurchase transactions and securities lending transactions, investors must notably be aware that (a) if the borrower of securities lent by the Target Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) in case of reinvestment of cash collateral such reinvestment may yield a sum less than the amount of collateral to be returned; and that (c) delays in the return of securities on loans may restrict the ability of the Target Fund to meet delivery obligations under security sales or payment obligations arising from redemptions requests.</p>
Liquidity Risk	<p>Liquidity risk exists within most financial products including the investments held by the Target Fund. This means that a delay may occur in receiving sales proceeds from the investments held by the Target Fund, and those proceeds may be less than recent valuations used to determine the net asset value per unit or share. This risk is greater in exceptional market conditions or when large numbers of investors are trying to sell their investments at the same time. In such circumstances, the receipt of sale proceeds may be delayed and/or take place at lower prices.</p> <p>This may impact the ability of the Target Fund to immediately meet the redemption requests received from the shareholders.</p>
Prohibited Securities	<p>In accordance with the Luxembourg law of 4 June 2009 ratifying the Oslo Convention of 3 December 2008 relating to cluster munition and HSBC Asset Management policy, the Company will not invest in securities of certain companies (please refer to Section 4.5 Investment Restrictions sub-section Additional Restrictions for further details). As this policy aims to prohibit investment in certain securities, investors should be aware that this reduces the investment universe and prevents the Target Fund from benefitting from any potential returns from these companies.</p>

Specific risks associated with the Target Fund	
Corporate Actions	Investors should note that as a result of corporate actions relating to a company in which the Target Fund is invested, the Target Fund may be required or have the option to accept cash, underlying or newly issued securities which may not be part of its core investment universe as described in its investment objective. Those securities may have a value less than the original investment made by the Target Fund. Under such circumstances, the relevant security may not be expressly covered by the relevant Target Fund's investment policy and the returns generated from the investment may not adequately compensate the Target Fund for the risks assumed.
Taxation	Investors should note in particular that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) the Target Fund's investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which the Target Fund invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Target Fund could become subject to additional taxation in such countries that is not anticipated either at the date of the prospectus of the Target Fund or when investments are made, valued or disposed of.
Cyber Security Risk	Security breaches of computer systems used by the Company's service providers in respect of the Company's activities (such as the Management Company, the Investment Adviser, the administration agent, the depositary bank and sub-custodians) have the potential to cause financial losses and costs for the Company, for example by disrupting or preventing trading or interfering with the administrative systems used in relation to the Company. While the Company's service providers have established business continuity and disaster recovery plans and other systems and procedures organising technical security to minimise the impact of attempted security breaches, investors must be aware that the risk of losses to the Company and the Target Fund cannot be totally eliminated.

Specific risks associated with the Target Fund	
Operational Risk	The Company's operations (including investment management) are carried out by the service providers mentioned in the prospectus of the Target Fund. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.
Legal Risk	There is a risk that it may not be possible to enforce agreements entered into by the Company due to bankruptcy or a dispute as to the interpretation of the agreement. There is also a risk that legal agreements in respect of certain derivative transactions and securities lending transactions entered into by the Company on behalf of the Target Fund may be terminated due, for instance, to bankruptcy of the counterparty or a change in tax law. The Target Fund may incur a loss as a result.
Custody Risk	Assets of the Company are safe kept by the depositary bank and shareholders are exposed to the risk of the depositary bank not being able to fully meet its obligation to reconstitute in a short time frame all of the assets of the Company in the case of bankruptcy of the depositary bank. The assets of the Company will be identified in the depositary bank's books as belonging to the Company. Securities held by the depositary bank will be segregated from other assets of the depositary bank which mitigates the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.
Currency Hedged Share Classes	<p>The Company offers currency hedged share classes across a range of sub-funds as described in section "Description of share classes" in the prospectus of the Target Fund.</p> <p>Investors should be aware that the implementation of currency hedged share classes by the administration agent (or other appointed parties) is a passive currency hedge and will be implemented regardless of currency fluctuations between the reference currency of the currency hedged share class and the base currency of the relevant Target Fund. Furthermore, this passive currency hedging is separate from the various strategies the Investment Adviser may seek to implement at the Target Fund level to manage currency risks within the Target Fund.</p> <p>There can be no assurance or guarantee that the administration agent or other appointed parties will be able to successfully implement passive currency hedging for currency hedged share classes at any time or at all. Investors should note that although the aim is to maintain at the time of the prospectus of the Target Fund a hedge ratio from 99.5% to</p>

Specific risks associated with the Target Fund

100.5% there may be occasions when the hedge ratio falls outside these parameters which may be due to factors which cannot be controlled such as investor trade activity, volatility in the net asset value per unit or share and/or currency volatility.

Movements in currency exchange rates can materially impact investment returns and investors should ensure they fully understand the difference between investment in currency hedged share classes versus investment in those share classes which are neither portfolio currency hedged nor base currency hedged (i.e. those share classes denominated in the base currency of the Target Fund as well as reference currency share classes).

Currency hedged share classes are not recommended for investors whose home currency is different to the reference currency of the currency hedged share class. Investors who choose to convert their home currency to the reference currency of a currency hedged share class and subsequently invest in such a share class should be aware that they may be exposed to higher currency risks and may suffer material losses as a result of exchange rate fluctuations between the reference currency of the currency hedged share class and their home currency.

Any transaction costs and gains or losses from currency hedging shall be accrued to and therefore reflected in the net asset value per unit or share of the relevant currency hedged share class. Currency hedged share classes will be hedged irrespective of whether the target currency is declining or increasing in value.

The main financial derivative instruments used in the passive currency hedging process are forward foreign exchange contracts.

Cross-Class Liability Risk

Multiple share classes may be issued in relation to the Target Fund, with particular assets and liabilities of the Target Fund attributable to particular share classes.

For instance, the Target Fund offering currency hedged share classes will have assets and liabilities related to the hedge which are attributable to the relevant currency hedged share classes. Moreover, these assets and liabilities may be denominated in various currencies introducing currency risk.

Given that there is no legal segregation of liabilities between share classes, there may be a remote risk that, under certain

Specific risks associated with the Target Fund

	<p>circumstances, currency hedging transactions in relation to a currency hedged share class could result in liabilities which might affect the net asset value of the other share classes of the same Target Fund.</p> <p>Where the liabilities of a particular class exceed the assets pertaining to that class, creditors pertaining to one share class may have recourse to the assets attributable to other share classes. Although for the purposes of internal accounting, a separate account will be established for each share class, in the event of an insolvency or termination of the Target Fund (i.e., when the assets of the Target Fund are insufficient to meet its liabilities), all assets will be used to meet the Target Fund's liabilities, not just the amount standing to the credit of any individual share class. However, the assets of the Target Fund may not be used to satisfy the liabilities of another sub-fund.</p>
Pandemic Risk	<p>An outbreak of an infectious disease, pandemic or any other serious public health concern could occur in any jurisdiction in which the Target Fund may invest, leading to changes in regional and global economic conditions and cycles which may have a negative impact on the Company's investments and consequently its net asset value. Any such outbreak may also have an adverse effect on the wider global economy and/or markets which may negatively impact the Target Fund's investments more generally. In addition, a serious outbreak of infectious disease may also be a force majeure event under contracts that the Company has entered into with counterparties thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the Target Fund (the nature of the services will vary depending on the agreement in question). In a worst case scenario, this may result with the Target Fund being delayed in calculating their net asset value, processing dealing in shares, undertaking independent valuations of the Target Fund or processing trades in respect of the Target Fund.</p>
ESG Scoring Risk	<p>The Company and the Investment Adviser may rely on third parties to provide ESG scoring data where relevant. Therefore, the Company is subject to certain operational and data quality risks associated with reliance on third party service providers and data sources. ESG data provided by third parties may not always be reliable, consistent or available and this may impact on the Target Fund's ability to accurately assess sustainability risks and effectively promote environmental and social characteristics, where relevant.</p>

Specific risks associated with the Target Fund	
SFDR Categorisation and ESG Data	<p>SFDR requires sub-funds to be categorised into three different categories;</p> <ul style="list-style-type: none"> • sub-funds which do not have sustainable investment as their objective or promote environmental and/or social characteristics (referred to as Article 6 SFDR sub-funds); • sub-funds which promote environmental and/or social characteristics (referred to as Article 8 SFDR sub-funds); and • sub-funds with sustainable investment as their investment objective (referred to as Article 9 SFDR sub-funds). <p>Article 8 and Article 9 SFDR sub-funds are subject to particular disclosure requirements, with the purpose of providing transparency to show how the sub-funds' environmental and/or social characteristics are met, or how the sustainable investment objective is achieved.</p> <p>HSBC Asset Management's investment process uses bespoke sustainability frameworks, to assess the investments to be made in line with the relevant sub-fund's SFDR categorisation as an Article 8 or Article 9 SFDR sub-fund. The respective Investment Adviser will use all relevant information available to them to manage the sub-funds in line with the ESG characteristics of the stated investment objective.</p> <p>However, the required disclosures may not always include the data required by the SFDR and/or Taxonomy Regulation due to the unavailability of such data. A lack of data could arise because a company does not provide this data at an entity and/or product level, or because the company's circumstances change and it ceases to provide particular information in future.</p> <p>In such a situation, the Investment Adviser will aim to disclose as much information about the Target Fund's portfolio as possible in order to provide as much transparency as it is able to about the alignment between the existing investments and the environmental and/or social characteristics promoted by the Target Fund's sustainable investment objective.</p>

Risk Management Strategy

Risk management of the Fund forms an integral part of the investment process. The Fund's portfolio is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be reviewed periodically by the Manager. Assessment of risk is an important part of the asset allocation process. The investment team of the Manager has the discretion to select instruments / securities from the authorised investment list.

6 FEES, CHARGES AND EXPENSES

Unless stated otherwise, all fees, charges and/or expenses disclosed in the Information Memorandum are exclusive by way of example and not limitation; goods and services tax, value added tax, consumption tax, levies, duties and other taxes as may be imposed by the Government of Malaysia from time to time (collectively known as “Taxes”). If these fees, charges and/or expenses are subject to any Taxes, such Taxes shall be borne and payable by the Unit Holders and/or the Fund (as the case may be) at the prevailing rate, including any increase or decrease to the rate, in addition to the fees, charges and/or expenses stated herein.

6.1 Charges

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund (*rounded to 2 decimal points*):

Entry Charge	Distribution Channel	Entry Charge
	Direct Sales	Up to 5.00% of the NAV per unit of the Class(es).
	IUTA	Up to 5.00% of the NAV per unit of the Class(es).
	<p><i>Notes:</i> <i>There will be no entry charge payable by AmBank Group staff.</i> <i>Sophisticated Investors are advised that they may negotiate for lower entry charge prior to the conclusion of sales.</i> <i>The Manager reserves the right to waive or reduce the entry charge from time to time at its absolute discretion.</i></p>	
Exit Penalty	There will be no exit penalty for this Fund.	
Other Charges	<p>Other direct charges that you may incur are as follows:</p> <p>Transfer Fee Nil.</p> <p>Bank Charges or Fees Bank charges or fees, if any, will be borne by you.</p> <p>Switching Fee <u>Switching between funds managed by the Manager</u> Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Class of the Fund switched out. For switches between any of the funds</p>	

managed by the Manager, Sophisticated Investors will be charged on the differences of entry charge between funds switched, which is up to a maximum of 6.00% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

Switching between Class(es) of the Fund

Unit Holders are not allowed to switch between Class(es).

6.2 Ongoing Fees and Expenses

Due to the multiple Classes in the Fund, the fees and expenses for the Fund are apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio (“MCR”) is calculated by taking the “Opening Value of a Class” for a particular day and dividing it with the “Opening Value of the Fund” for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

As an illustration, assuming there is an indirect fee chargeable to the Fund of USD100 and the size of the USD Class is 40%, RM-Hedged Class is 30%, AUD Class is 15% and SGD Class is 15% of the Fund, the ratio of the apportionment based on the percentage will be 40:30:15:15 (USD:RM-Hedged:AUD:SGD) i.e. 40% being borne by USD Class, 30% being borne by RM-Hedged Class, 15% being borne by AUD Class and SGD Class respectively.

“Opening Value of the Fund” refers to the NAV of the Fund before income and expenses.

“Opening Value of a Class” refers to the NAV of a Class before income and expenses.

The fees and expenses that you may **indirectly** incur are as follows.

(a) Annual Management Fee

An annual management fee of up to 1.80% p.a. of the Fund’s NAV is charged and then apportioned to each Class based on the MCR. The management fee is calculated on a daily basis and will be paid monthly to us. From the illustration below, it shows that there is no double charging of management fee.

An illustration of the calculation and apportionment of the daily management fee is as follows:

Assuming a total fund size of USD100 million and the Target Fund’s management fee is 0.80% p.a. and investments have been made in RM-Hedged Class and USD Class, then the daily accrued management fee for the day would be:

	<u>USD</u>
Investments	85,000,000.00
Others (Liquid assets)	15,000,000.00
NAV (before fees)	<u>100,000,000.00</u>

Management fee for the day:

$[(\text{Investments} + \text{Liquid assets}) \times 1.80\%] \div \text{Number of days in a year}$

1. Charged by the Target Fund:	
= (USD85,000,000.00 x 0.80%) ÷ 365	1,863.01
2. Charged by the Fund:	
a) Investments	
= (USD85,000,000.00 x 1.00%) ÷ 365	2,328.77
b) Liquid assets	
= (USD15,000,000.00 x 1.80%) ÷ 365	739.73
c) = 2,328.77 + 739.73	3,068.50

Class-level apportionment (assumed ratio: USD:RM-Hedged, 60:40)

USD Class	1,841.10
RM-Hedged Class	1,227.40
Total	3,068.50

(b) Annual Trustee Fee

The Trustee is entitled to an annual trustee fee for acting as trustee for the Fund. This fee is calculated daily and paid monthly. The trustee fee is up to 0.04% p.a. of the NAV of the Fund (excluding foreign sub-custodian fee and charges, where applicable). An illustration of the trustee fee per day is as follows:

Assuming the NAV of the Fund is USD100 million and the trustee fee is 0.04% p.a. of the NAV of the Fund, then the daily accrued trustee fee would be:

	<u>USD</u>
Trustee's fee for the day charged to the Fund:	
(NAV of the Fund x Trustee fee) ÷ Number of days in a year	
= (USD100,000,000.00 x 0.04%) ÷ 365	109.59

(c) Fund Expenses

The Manager and the Trustee may be reimbursed out of the Fund for any cost reasonably incurred in the administration of the Fund. The Fund's expenses currently include but are not limited to audit fees, tax agent's fees, printing and postages of annual and quarterly reports, bank charges, investment committee fee for independent members, lodgement fees for Fund's reports, foreign custodians' charges (if any) in respect of any foreign investments of the Fund, fees paid to brokers or dealers (if any) and other expenses as permitted by the Deed.

THERE ARE FEES AND CHARGES INVOLVED AND SOPHISTICATED INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.

7 TRANSACTION INFORMATION

7.1 Valuation of Assets

In undertaking any of its investments, the Manager will ensure that all the assets of the Fund are valued at fair value in compliance with the SC guidelines and relevant laws at all times. Investments of the Fund are valued in accordance to the following:

- Collective investment schemes
The value of any investment in unlisted collective investment schemes shall be determined by reference to the last published repurchase price.
- Deposits
The value of any deposits placed with financial institutions shall be determined on each Business Day, with reference to the principal value of such investments and the accrued income for the relevant period.
- Derivatives
The valuation is based on marked to market prices. The methods or bases of valuation will have to be verified by the Auditor of the Fund and approved by the Trustee.

7.2 Pricing and Valuation Points

The Fund adopts a single pricing policy i.e. subscription and redemption of units will be carried out at the NAV per unit. The valuation point of the Fund will be on daily basis (e.g. each business day).

The Fund also adopts forward pricing which means price for units will be calculated at the next valuation point after the complete documentation is received by the Manager.

Valuation point refers to such time(s) on a Business Day as may be decided by the Manager wherein the NAV per unit of the relevant Class(es) is calculated. Since the Fund may invest in foreign markets, the valuation of the Class(es) will be carried out on the next Business Day (T+1) by 5.00 p.m. This is to cater for the currency translation of the Target Fund to the Class(es)'s base currency based on the bid exchange rate quoted by Bloomberg or Refinitiv at 4.00 pm (UK time) which is equivalent to 11.00 pm or 12.00 am midnight (Malaysian time) on the same day, or such other time as stipulated in the Investment Management Standards issued by the Federation of the Investment Managers Malaysia (FIMM).

A Sophisticated Investor will buy units at the NAV per unit of the relevant Class as at the next valuation point after an instruction for purchase is received plus applicable entry charge of the Class; and redemption will be calculated based on the NAV per unit of the relevant Class as at the next valuation point after an instruction for redemption is received.

Incorrect Pricing

In the event of any incorrect pricing of units of the Class(es), the Manager shall take immediate remedial action to rectify the incorrect pricing. Where the incorrect pricing:

- (i) is equal or more than zero point five per centum (0.50%) of the NAV per unit; and
- (ii) the total impact on an individual account is less than RM 10.00 or its foreign currency equivalent in absolute amount.

then the Manager shall reimburse the relevant Class and/or the affected Unit Holder in the following manner:

- (a) where the error is as a result of over valuation (i.e. the price quoted is higher than the actual price), the Manager shall reimburse:
 - (i) the relevant Class (for the difference between the redemption amount paid out by the relevant Class and the amount per the amended valuation); and/or
 - (ii) the Unit Holders (for the difference between the value of subscription amount paid by the Unit Holder and the amount per the amended valuation).
- (b) where the error is as a result of under valuation (i.e. the price quoted is lower than the actual price), the Manager shall reimburse:
 - (i) the relevant Class (for the difference between the value of subscription amount paid by the Unit Holder and the amount per the amended valuation); and/or
 - (ii) the Unit Holders (for the difference between the redemption amount paid out by the relevant Class and the amount per the amended valuation).

Subject to any regulatory requirements, the Manager shall have the right to amend, vary or revise the above said limits or threshold from time to time.

Policy on rounding adjustment

The NAV per unit for the Fund is rounded to four (4) decimal points. Redemption proceeds, units created, fees and charges are rounded to two (2) decimal points.

NAV per unit of the Class(es)

Due to the multiple Classes in the Fund, the valuation of the Fund will be done in the Fund's base currency i.e. USD. As such, all assets and/or cash that are not denominated in USD will be converted to USD for valuation purposes. The foreign exchange rate used for this purpose shall be based on the bid exchange rate quoted by Bloomberg or Refinitiv at 4.00 pm (UK time) which is equivalent to 11.00 pm or 12.00 am midnight (Malaysian time) on the same day, or such other time as stipulated in the Investment Management Standards issued by the FIMM.

Illustration:

The following is a hypothetical example of the computation of the NAV per unit in Class currency at each valuation point based on the Multi Class Fund (“MCF”) Ratio with the assumption that the investment has been made in RM-Hedged Class and USD Class:

“Opening Value of the Fund” refers to the NAV of the Fund before income and expenses.

“Opening Value of a Class” refers to the NAV of a Class before income and expenses.

		Fund (USD) Total	RM-Hedged Class	USD Class
Day 1 – by 4.00pm				
Sales amount received	A		RM20,000,000.00	USD10,000,000.00
NAV per unit	B		RM1.0200	USD1.0000
Units in Circulation	C=A÷B		19,607,843.14	10,000,000.00
Foreign exchange (“FX”) translation on Day 1 (FX as per Valuation date – using FIMM FX guidelines)	D		0.30	1.00
Value of the Fund (USD)	E=AxD	USD16,000,000.00	USD6,000,000.00	USD10,000,000.00
Day 2				
Opening Value of the Fund (USD)	E	USD16,000,000.00	USD6,000,000.00	USD10,000,000.00
Multi Class Fund (MCF) Ratio [^]	F	100%	37.5%	62.5%
Add: Income (USD) (Proportionate based on MCF Ratio [^])	G	USD15,000.00	USD5,625.00	USD9,375.00
Less: Administration expenses (USD) (Proportionate based on MCF Ratio [^])	H	(USD1,000.00)	(USD375.00)	(USD625.00)
NAV before management fee and trustee fee for the day	I=E+G-H	USD16,014,000.00	USD6,005,250.00	USD10,008,750.00
- investment in Target Fund (85% of NAV)	J=I x 85%	USD13,611,900.00		
- investment in other liquid assets (15% of NAV)	K=I x 15%	USD2,402,100.00		

		Fund (USD) Total	RM-Hedged Class	USD Class
Class expenses				
Management fee (% p.a.)				
- charged on investment in Target Fund	L	1.00%		
- charged on other liquid assets	M	1.80%		
Management fee for the day (USD) (Proportionate based on MCF Ratio [^])	$N = \frac{(I \times L) + (K \times M)}{365}$	(491.39)	(184.27)	(307.12)
Trustee fee (% p.a.)	P	0.04%		
Trustee fee for the day (USD) (Proportionate based on MCF Ratio [^])	$Q = \frac{(I \times P)}{365 \times F}$	(17.55)	(6.58)	(10.97)
NAV	S=I-N-Q	USD16,013,491.06	USD6,005,059.15	USD10,008,431.91
Units in Circulation	C		19,607,843.14	10,000,000.00
NAV per unit in Base Currency (USD)	T=S÷C		USD0.3063	USD1.0008
FX translation on Day 2 (FX as per Valuation date – as per FIMM FX guidelines)	U		0.32	1.00
NAV per unit in Class currency	T÷U		RM0.9572	USD1.0008
Sales/(Redemption) amount received for Day 2	V		RM2,000,000.00	(USD500,000.00)
FX translation on Day 2 (FX as per Valuation date – as per FIMM FX guidelines)	W		0.32	1.00
Value of the sales/redemption (USD)	$X = V \times W$	USD140,000.00	USD640,000.00	(USD500,000.00)
Value of the Fund (USD)	$Y = S + X$	USD16,153,491.06	USD6,645,059.15	USD9,508,431.91
Day 3				
Opening Value of the Fund (USD)	Y	USD16,153,491.06	USD6,645,059.15	USD9,508,431.91

Note: ^ Multi Class Fund (“MCF”) Ratio is apportioned based on the size of the Class relative to the whole Fund. This means the MCF Ratio is calculated by taking the Opening Value of a Class divided by the Opening Value of the Fund. This apportionment is expressed as a ratio and calculated as a percentage.

Making an investment

Assuming that a Sophisticated Investor wants to invest USD10,000 in the USD Class of the Fund and the NAV per unit is USD1.0000 and entry charge is 5.00% of the NAV per unit of the USD Class. The Sophisticated Investor will need to pay the amount as illustrated below to the Manager:

Items	USD / Units	Explanation
(i) Amount to be invested (investment amount)	USD10,000	
(ii) Units issued to Sophisticated Investor	10,000 units	USD10,000/ USD1.0000 per unit
(iii) Entry charge incurred by Sophisticated Investor	500	10,000 units x USD1.0000 x 5.00%
(iv) Amount payable by Sophisticated Investor	USD10,500	USD10,000 + USD500

Redeeming an investment

Assuming that a Sophisticated Investor wishes to redeem 10,000 units from the USD Class of the Fund and the NAV per unit of the USD Class is USD1.0005 with no exit penalty. Hence, the total amount payable to the Sophisticated Investor is USD10,005 as illustrated below:

Items	USD / Units	Explanation
(i) Units redeemed	10,000 units	
(ii) Gross amount payable to Sophisticated Investor	USD10,005	10,000 units x USD1.0005
(iii) Exit penalty incurred by Sophisticated Investor	0	No exit penalty
(iv) Amount payable to Sophisticated Investor	USD10,005	USD10,005 - 0

7.3 Making an Investment

Minimum Initial Investment	RM Class: RM5,000 RM-Hedged Class: RM5,000 USD Class: USD1,000 <i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i>
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Minimum Additional Investment	<p>RM Class: RM1,000 RM-Hedged Class: RM1,000 USD Class: USD1,000</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager’s discretion to accept.</i></p>
Step 1 Eligibility	<p>Sophisticated Investors, with 18 years of age and above for individual who are not US Persons.</p> <p><i>Notes:</i></p> <ol style="list-style-type: none"> (1) <i>The Manager has the right to reject any application by a US Person. However, if you are investing through our appointed distributor who operates under a nominee system of ownership, kindly consult the respective distributor accordingly.</i> (2) <i>If a Unit Holder is a US Person or subsequently becomes a US Person and such fact comes to the attention of the Manager:</i> <ol style="list-style-type: none"> a) <i>The Manager is entitled to act in accordance with FATCA, relevant laws, rules, regulations, notes and circulars issued by the relevant authorities from time to time including but not limited to withholding such amount of the income derived from the units held by such US Person (if any); and</i> b) <i>The Manager shall by a notice in writing to that US Person require him / her to either redeem all the units of the Fund or transfer all the units of the Fund to a non-US Person within thirty (30) days from the date of the notice. Upon expiry of thirty (30) days from the date of such notice, the Manager reserves the right to compulsorily redeem all the units held by such US Person.</i>
Step 2 Forms To Be Completed and Documents Required	<p><u>For initial investment:</u></p> <ol style="list-style-type: none"> (1) A full set of account opening form; (2) Proof of payment; (3) Suitability assessment form; (4) Personal Data Protection Act consent form (if applicable); (5) FATCA and CRS documentation: <ol style="list-style-type: none"> a) Self-certification by individual / entity; b) W-8BEN / W-8BEN-E Form (if applicable); and c) W-9 Form (if applicable); and (6) Additional documents requested by the Manager (if applicable).

	<p>Individual investor / jointholder For a single applicant, photocopy of National Registration Identity Card (NRIC) for Malaysian or passport for foreigner. For joint applicant, photocopy of NRIC for Malaysian or passport for foreigner of first named joint applicant and the subsequent named joint applicant.</p> <p>Non-individual / corporate investors</p> <ol style="list-style-type: none"> (1) Copy of NRIC / passport of all authorised signatory(ies); (2) Copy of NRIC / passport of directors / shareholders / partners; (3) A certified true copy of the Memorandum and Articles of Association, business registration documents, certificate of registration or its equivalent; (4) A certified true copy of Form 24 and 49 or its equivalent; (5) An original / extract copy of a board resolution approving investments in the Fund or its equivalent; (6) List of authorised personnel to effect any instructions pertaining to the Fund if the list of authorised personnel is not mentioned in the board resolution or its equivalent; (7) A copy of the latest audited financial statement of accounts; (8) Any other approvals required from relevant authorities; and (9) Any other documents requested by the Manager. <p><u>For additional investment:</u></p> <ol style="list-style-type: none"> (1) Transaction form or letter of instruction (for non-individual or corporate investors only); and (2) Proof of payment.
<p>Step 3 Manner of Payment and Delivery</p>	<p>Upon clearance based on our “Know-Your-Customer” (KYC) policy, you can deposit payment into our account upon being advised by us. Your application will be accepted and shall be processed based on the net amount received. If you deposit payment into our account without notifying us, we reserve the right to reject your application and hold such amount until claimed.</p> <p>Payments can be made by depositing payment into our account using either cheque, bank draft or telegraphic transfer payable to:</p> <p>“AmFunds Management Berhad – Trust A/C”</p>

For individual investors: You are advised to write your name, NRIC / passport number and contact number at the back of the cheque or bank draft.

For corporate investors: You are advised to write your company name, registration number and contact number at the back of the cheque or bank draft.

You can submit the application with complete documentation (including the proof of payment) and payment to us or submit the same to any of our appointed distributors. If we do not receive complete documentation with the payment we reserve the right to reject the application. If you deposit payment into our account and do not notify or provide us with the complete documentation, we shall reject your application and hold such amount until claimed. Sales of units will be processed upon receipt of complete documentation and proof of payment.

We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.

*Note: Where payment is by cheque, the cheque must be issued by the Sophisticated Investor. In the case of bank draft, a copy of the application for the bank draft as approved by the relevant bank must be submitted with the bank draft. **Any payment from third party other than the Sophisticated Investor will be rejected.***

Processing an Application / Cut-off Time

- If an application with complete documentation is accepted by the Manager or our appointed distributors **before 4.00 p.m.** on a Business Day, it will be processed at the closing NAV per unit of the same Business Day.
- If an application with complete documentation is accepted by the Manager or our appointed distributors **after 4.00 p.m.** on a Business Day or on a non-Business Day, it will be processed at the closing NAV per unit of the next Business Day.

Notes:

- *The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents or proof of payment. Incomplete applications will not be processed until all the necessary information has been received.*
- *You should note that different distributors may have different cut-off times in respect of receiving application request. You are advised to contact the relevant distributors to obtain further information and should check*

	<i>with the relevant distributors on their cut-off time in respect of receiving application request.</i>
Cooling-off Right	Not applicable for this Fund.
Confirmation of an Application	You shall be issued a transaction advice within two (2) weeks of processing your application. No certificates are issued. Instead your details are entered into the register of Unit Holders, which is kept at our head office and can be inspected during business hours.
Miscellaneous Application Information	You will be responsible for all losses and expenses of the Fund in the event of any failure to make payments according to the procedures outlined in this Information Memorandum. Such losses and expenses shall be deducted by the Manager from your account with us. We reserve the right to reject any application. We also reserve the right to change or discontinue any of our application procedures.

SOPHISTICATED INVESTORS ARE ADVISED NOT TO MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.

7.4 Making Redemptions

Minimum Redemption / Switching	<p>All Classes: 1,000 units</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i></p>
Minimum Holding / Balance	<p>All Classes: 1,000 units</p> <p><i>Note: The Manager reserves the right to change the stipulated amount from time to time. You may request for a lower amount subject to the Manager's discretion to accept.</i></p>
Forms To Be Completed	<p>(1) Transaction form signed by individual Unit Holder(s)/ authorised signatory(ies); or</p> <p>(2) Letter of instruction (for non-individual or corporate investors only).</p>
Submission of Redemption Request / Cut-off Time	<p>Redemption request can be made on any Business Day by completing the transaction form or letter of instructions.</p> <ul style="list-style-type: none"> • If a redemption request with complete documentation is accepted by the Manager or our appointed distributors before 4.00 p.m. on a Business Day, it will be processed at the closing NAV per unit of the same Business Day. • If a redemption request with complete documentation is accepted by the Manager or our appointed distributors after 4.00 p.m. on a Business Day or on a non-Business

	<p>Day, it will be processed at the closing NAV per unit of the next Business Day.</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>The Manager reserves the right to reject any application that is unclear, incomplete and/or not accompanied by the required documents. Incomplete applications will not be processed until all the necessary information has been received.</i> • <i>You should note that different distributors may have different cut-off times in respect of receiving redemption request. You are advised to contact the relevant distributors to obtain further information and should check with the relevant distributors on their cut-off time in respect of receiving redemption request.</i>
Payment of Redemption Proceeds	Within fourteen (14) calendar days of receiving the redemption request with complete documentation.
Manner of Payment	<p>Redemption proceeds will be made in the currencies which the units are denominated will be paid to a bank account (active account) held in your own name or the first named Unit Holder (for joint account) either by telegraphic transfer, cheque or bank draft.</p> <p><i>Note: We reserve the right to vary the manner of payment from time to time, and shall be communicated to you.</i></p>
Miscellaneous Redemption Information	We reserve the right to defer the calculation of redemption price with the consent of the Trustee (or as permitted by the SC) after receiving the redemption request if in our judgment, an earlier payment would adversely affect the Fund.

No redemption will be paid in cash under any circumstances.

7.5 Distribution Payment

Mode of Income Distribution	<p>Given the Fund's investment objective, the Classes of the Fund are not expected to pay any distribution. Distributions, if any, are at the Manager's discretion.</p> <p><u>RM and RM-Hedged Classes</u></p> <p>Distribution, if any, will be deposited into your bank account held in your name or the first named Unit Holder (for joint account) or to pay such income distribution by way of a bank draft under any circumstances where the income distribution cannot be transferred.</p>
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If you do not state your option in the account opening form or transaction form, and if income distribution is paid, such income will be automatically reinvested in the forms of units.

Other Classes except for RM and RM-Hedged Classes
Distribution, if any, will be automatically reinvested into your account with us at no cost, based on the NAV per unit of the relevant Class at the end of Business Day of the income distribution date.

Notes: Income distribution amount (if any) for each of the Classes could be different and is subject to the sole discretion of the Manager. For RM and RM-Hedged Classes only, if income distribution earned does not exceed RM500, it will be automatically reinvested.

7.6 Unclaimed Moneys

Any moneys payable to you which remains unclaimed (hereinafter referred to as unclaimed amount) for the last twelve (12) months or such period as may be prescribed under the Unclaimed Moneys Act 1965 from the date of payment will be paid to Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter, all claims need to be made to the Registrar of Unclaimed Moneys.

7.7 Other Relevant Information When Making an Investment

Switching Facility

Unit Holders are only allowed to switch to other funds where the currency denomination is the same as the Class of the Fund switched out. For switches between any of the funds managed by the Manager, Unit Holders will be charged on the differences of the entry charge between funds switched, which is up to a maximum of 6% of NAV per unit of the fund switched into. No entry charge will be imposed if the fund to be switched into has a lower entry charge.

Unit Holders are not allowed to switch between Class(es).

Please note that the price of the Fund to be switched out and the price of another Fund to be switched into may be of different days.

Transfer Facility

Transfer of the Fund's units is allowed at the Manager's discretion.

You can transfer all or some of your investments to another person by simply completing a transfer form and signed by both parties (transferor and transferee). A

full set of account opening document is also required to be filled by the transferee if he/she is a new investor to the Fund. However, the Manager has the discretion to reject the transfer application. We may, at our absolute discretion without giving any reason, refuse to register a transfer.

Temporary Suspension of Determination of NAV and of the Issue and Redemption of Units

The Manager may suspend the determination of the NAV of the Fund, the issue of units and the redemption of units in the following circumstances:

- (a) during any period when the Malaysian market on which a material part of the investments of the Fund is closed, or during which dealings are substantially suspended or restricted;
- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the Fund is not possible;
- (c) during any breakdown in the means of communication normally employed in determining the price of the Fund's investments on any market;
- (d) when for any other reason the prices of any investments owned by the Fund cannot promptly or accurately be ascertained;
- (e) during any period when remittance of monies which will or may be involved in the realization of or in the payment for any of the Fund's investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- (f) in the event of the publication of a notice convening a Unit Holders meeting; or
- (g) if in our judgment, an earlier payment of redemption proceeds would adversely affect the Fund.

Unit Holders who have requested for subscription and/or switching and/or redemption of their units will be notified in writing of any such suspension of the right to subscribe, to switch or to require redemption of units and will be promptly notified upon termination of such suspension. Any suspension shall be in accordance with the Deed.

Customer Identification Program

Pursuant to the relevant laws of Malaysia on money laundering, we have an obligation to prevent the use of the Fund for money laundering purposes. As such, we and/or our appointed distributors have put in place a "Know Your Customer" ("KYC") policy where procedures are in place to identify and verify the investor's identification through documents such as identity card, passport, constituent documents or any other official documents.

We and/or our appointed distributors reserve the right to request such information, either at the time an application is made or thereafter, as is necessary to verify the identity of an investor (or each of the investors in the case of joint investors) and/or to periodically update our records. We and/or our appointed distributors require you to provide us with your information and information of beneficial owner such as name, date of birth, national registration card number, residential and business address,

(and mailing address if different), name of beneficial owner, address of beneficial owner, national registration card number of beneficial owner, date of birth of beneficial owner or other information and official identification.

For corporate clients, we and/or our appointed distributors require you to provide us the name of the company, principal place of business, source of income / asset, identification documents of the directors / shareholders / partners, board resolution pertaining to the investment and the person authorized to operate the account, all of which as per requirements under regulation when you open or re-open an account.

We and/or our appointed distributors also reserve the right to request additional information including the source of the funds, source of wealth, net worth, annual income and identity of any beneficial owners as may be required to support the verification information and to allow us to complete adequate due diligence. In the event of delay or failure by the investor to produce any information required for verification purpose, we and/or our appointed distributors may refuse to accept an application request. In relation to a subscription application, any monies received will be returned without interest / profit to the account from which the monies were originally debited, and in relation to redemption application, no units will be redeemed to the investor. We and/or our appointed distributors also reserve the right to place restrictions on transactions or redemptions on your account until your identity is verified.

In the event of any breaches to the applicable laws on money laundering, we have a duty to notify the relevant authority.

Anti-Money Laundering (“AML”) / KYC Obligation on Distributor

If you have invested in the Fund via a distributor, there may be additional information that the distributor may need to provide to us, which may include the release of your particulars and details of ultimate beneficiaries / ultimate beneficial owners investing in the Fund to us. Without such information being provided, we may be required to reject your subscription or redemption request until such information is provided by the distributor to us.

Cross Trade

The Manager may conduct cross trades between funds and private mandates it currently manages provided that all criteria imposed by the regulators are met.

Notwithstanding, cross trades between the personal account of an employee of the Manager and the Fund's account and between the Manager's proprietary trading accounts and the Fund's account are strictly prohibited. The execution of cross trade will be reported to the investment committee and disclosed in the Fund's report accordingly.

Rebates and Soft Commission

We do not retain any rebates from, or share in any commission with any broker or dealer in consideration for dealings in a fund's assets. In line thereto, any rebate or shared commission is directed to the account of the fund concerned, and is subject to prevailing regulatory requirements by the SC.

Borrowing / Financing

The Fund is prohibited from borrowing other assets (including borrowing of securities within the meaning of *Securities Borrowing and Lending Guidelines*) in connection with its activities. However, the Fund may borrow cash for the purpose of meeting repurchase requests for units of the Fund and for short-term bridging requirements. Such borrowings are subject to the following:

- (a) the Fund's cash borrowing is only on a temporary basis and that the borrowings are not persistent;
- (b) the borrowing period should not exceed one month;
- (c) the aggregate borrowings of the Fund should not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and
- (d) the Fund only borrows from financial institutions.

8 THE MANAGEMENT COMPANY

8.1 Corporate Information of the Manager

AFM was incorporated on 9 July 1986 and is a wholly owned by AmInvestment Bank Berhad with effective from 21 July 2016. As at LPD, AFM has more than thirty (30) years of experience in the unit trust industry.

AFM is the holder of a Capital Markets and Services Licence for the regulated activities of fund management, dealing in securities restricted to unit trusts and dealing in private retirement scheme issued under the Act.

8.2 Roles, Duties and Responsibilities of the Manager

The Manager is responsible for setting the investment policies and objective for the Fund. The Manager is also responsible for the promotion and administration of the Fund which include but not limited to issuing units, preparing and issuing information memorandum.

AFM is responsible to manage, invest, realize, reinvest or howsoever deal with the Fund in accordance with the investment objective and guidelines, including investment limits and restrictions of the Fund.

8.3 Designated Fund Manager

Wong Yew Joe

Wong Yew Joe is the designated person responsible for the fund management function of the Fund. He is the Chief Investment Officer of AFM overseeing investments in the firm. He has more than twenty (20) years of experience in financial services and funds management. Over this tenure, his roles covered investment analysis, trading and portfolio management. He also played a key role in product development, business development and managing client relationships.

Yew Joe first joined the Funds Management Division in 2006 as a fund manager. His last post was the Head of Fixed Income and oversaw investments in Islamic fixed income instruments and other related instruments. He holds a Bachelor of Commerce (Accounting and Finance) from the University of Southern Queensland, Australia. He also holds a Capital Markets Services Representative's License for the regulated activity of fund management.

8.4 Material Litigation

As at the LPD, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Manager and of its delegates.

Note: Please refer to our website (www.aminvest.com) for further information on the Manager and other corporate information which may be updated from time to time.

9 THE TRUSTEE

9.1 About Deutsche Trustees Malaysia Berhad

Deutsche Trustees Malaysia Berhad (“DTMB”), Registration No. 200701005591 (763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

9.2 Experience in Trustee Business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for 229 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

9.3 Roles, Duties and Responsibilities of the Trustee

DTMB’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the CMSA 2007 and all relevant laws.

9.4 Trustee’s Disclosure of Material Litigation

As at LPD, the Trustee has not (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business / financial position of the Trustee.

9.5 Trustee's Delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over thirty (30) markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

9.6 Disclosure on Related-Party Transactions/Conflict of Interests

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services (where applicable), there may be related party transactions involving or in connection with the Fund in the following events:

- (1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, collective investment schemes, etc.);
- (2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC Guidelines and other applicable laws;
- (3) Where the Manager appoints DTMB to perform its back-office functions (e.g. fund accounting and valuation); and
- (4) Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best available for or to the Fund and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the Unit Holders of the Fund do not preclude the possibility of related party transactions or conflicts.

10 SALIENT TERMS OF THE DEED

Please note that if an investor invests through a distributor via a nominee system of ownership, the investor will not be deemed a Unit Holder under the Deed.

10.1 Rights and Liabilities of Unit Holders

A Sophisticated Investor is deemed to be a Unit Holder when units are issued upon the Manager accepting completed documentation with payment.

Each unit held in the Fund entitles a Unit Holder to an equal and proportionate beneficial interest in the Fund. However, a Unit Holder does not own or have a right to any particular asset held by the Fund and cannot participate in management decisions except in very limited circumstances as set out in the Deed.

As a Unit Holder, you have the right to:

- (a) Receive income distribution (if any);
- (b) Have your units redeemed;
- (c) Transfer your units, subject to Manager's discretion;
- (d) Participate in termination or winding up of the Fund;
- (e) Call, attend and vote at meetings of Unit Holders (the rules governing the holding of meetings are set out in the law and the Deed);
- (f) Receive statement of investments, annual and quarterly reports of the Fund; and
- (g) To exercise such other rights and privileges as provided for in the Deed.

The law and the Deed limit a Unit Holder's liability to the value of their investments in the Fund. Accordingly, if the Fund's liabilities exceed its assets, no Unit Holder by reason alone of being a Unit Holder, will be personally liable to indemnify the Trustee or the Manager or any of their respective creditors.

10.2 Fees and Charges Permitted by the Deed

The following are the maximum fees and charges as provided in the Deed:

Entry Charge	Up to 10.00% of the NAV per unit of the Class(es).
Exit Penalty	Up to 10.00% of the NAV per unit of the Class(es).
Annual Management Fee	Up to 5.00% p.a. of the NAV of the Class(es).
Annual Trustee Fee	Up to 0.04% p.a. of the NAV of the Fund (excluding foreign custodian fees and charges, where applicable).

The increase in the fees and charges can only be made in accordance with the Deed and the relevant laws. Any increase in the fees and/or the charges above the level disclosed in the Information Memorandum may be made provided that the maximum level stated in the Deed shall not be breached. Any increase in the fees or charges above the maximum level disclosed in the Deed shall require Unit Holders' approval at a duly convened Unit Holders' meeting and subsequently a supplemental deed and supplemental information memorandum will be issued.

In the event of any increase in the fees and/or the charges above the level disclosed in the Information Memorandum and within the level disclosed in the Deed, a supplemental information memorandum will be issued.

10.3 Permitted Expenses Payable out of the Fund

The expenses (or parts thereof) which are directly related and necessary for the day to day operation and administration of the Fund are payable out of the Fund's assets. As provided in the Deed, these would include (but are not limited to) the following:

- (a) commissions / fees paid to brokers / dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the Auditor and tax agent of the Fund;
- (d) fees for the valuation of any investment of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser (including but not limited to legal advisors / lawyers) or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or a class of units or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);

- (m) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) costs, fees and expenses incurred in relation to printing and postage of annual and quarterly reports;
- (p) fees in relation to fund accounting;
- (q) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians in respect of the foreign investments of the Fund (if any); and
- (r) any tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

10.4 Retirement, Removal and Replacement of the Trustee

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon the expiration of twelve (12) months' notice in writing to the Manager of its desire so to do, or such other period as the Manager and the Trustee may agree upon.

The Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

10.5 Retirement, Removal and Replacement of the Manager

The Manager may be removed by the Trustee where:

- (a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the best interests of Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- (b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed to the property and is not removed or withdrawn within thirty (30) days from appointment or has ceased to carry on business;

and the Manager shall not accept any extra payment or benefit in relation to such removal.

Subject to the approval of the relevant authorities, the Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee twelve (12) months' notice in writing of its desire to do so or such other period as the Manager and the Trustee may agree subject to the conditions stated in the Deed.

10.6 Termination of the Fund

Termination of Trust by the Manager

Subject to the provisions of the relevant laws, the Manager may, without having to obtain the prior consent of the Unit Holders, terminate the trust hereby created and wind up the Fund if such termination:

- (a) is required by the relevant authorities; or
- (b) is in the best interests of Unit Holders and the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

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

Upon the termination of the trust by the Manager, the Manager shall as soon as practicable, give to each Unit Holder of the Fund being wound up a notice of such termination in accordance with the relevant laws; the Manager shall notify the existing Unit Holders in writing of the following options:

- (a) to receive the net cash proceeds derived from the sale of all the investment and assets of the Fund less any payment for liabilities of the Fund and any cash produce available for distribution in proportion to the number of units held by them respectively;
- (b) to use the net cash proceeds to invest in any other wholesale fund managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
- (c) to choose any other alternative as may be proposed by the Manager in accordance with the relevant laws and regulations.

Termination of Trust by the Trustee

In any of the following events:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or

- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon a meeting of Unit Holders in accordance with the provisions of the Deed for the purpose of seeking directions from the Unit Holders.

If at any such meeting a Special Resolution to terminate the trust in respect to the Fund and to wind-up the Fund is passed by the Unit Holders, the Trustee shall apply to the court for an order confirming such Special Resolution.

Upon such application by the Trustee, the court may, if it considers it to be in the interests of the Unit Holders, confirm the Special Resolution and make such orders as it thinks necessary or expedient for the termination of the trust in respect of the Fund and the effective winding-up of the Fund.

The termination of the trust and the winding up of the Fund shall not affect the continuity of any other trusts and wholesale funds created and established hereunder.

10.7 Termination of a Class of Units

If the Fund has more than one class of units, the Manager may terminate a particular class of units in accordance with the relevant laws. The Manager may only terminate a particular class of units if the termination of that class of units does not prejudice the interests of Unit Holders of any other class of units. For the avoidance of doubt, the termination of a class of units shall not affect the continuity of any other class of units of the Fund.

Notwithstanding the above and subject to the provisions of any relevant law, the Manager may without having to obtain the prior consent of the Unit Holders, terminate a particular class of units if the termination of the class of units is in the best interests of the Unit Holders of the class of units and the Manager deems it to be uneconomical for the Manager to continue managing the class of units.

If at a meeting of Unit Holders to terminate a class of units, a Special Resolution to terminate the class of units is passed by the Unit Holders of that class:

- (a) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the Special Resolution; and
- (b) the Trustee or the Manager shall as soon as practicable inform all Unit Holders of the Fund of the termination of that class of units;

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that class of units by the Auditor. Upon the completion of the termination of that class of units, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that class of units.

10.8 Unit Holders' Meeting

Quorum required for a Unit Holders' meeting

The quorum required for a meeting of the Unit Holders of the Fund or a class of units, as the case may be, shall be five (5) Unit Holders, whether present in person or by proxy.

- (a) However, if the Fund or a class of units, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a class of units, as the case may be, shall be two (2) Unit Holders, whether present in person or by proxy; or if the Fund or a class of units, as the case may be, has only two (2) Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a class of units, as the case may be, shall be one (1) Unit Holder, whether present in person or by proxy.
- (b) If the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the units in circulation of the Fund or a particular class of units, as the case may be, at the time of the meeting.
- (c) If the Fund or a class of units, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a class of units, as the case may be.

The Unit Holders may participate in a Unit Holders' meeting by video conference, web-based communication, electronic or such other communication facilities or technologies available from time to time and to vote at the Unit Holders' meeting. For the avoidance of doubt, the chairman of the meeting shall be present at the meeting either virtually or physically at the main venue of the Unit Holders' meeting.

Participation by a Unit Holder in a Unit Holders' meeting by any of the communication facilities referred to above shall be deemed as present at the said Unit Holders' meeting and shall be counted towards the quorum notwithstanding the fact that the Unit Holder is not physically present at the main venue of where the Unit Holders' meeting is to be held.

Virtual Unit Holders' meeting

Subject to any applicable laws, the Manager and/or the Trustee shall have the power to convene a virtual meeting of Unit Holders by video conference, web-based communication, electronic or such other communication facilities or technologies available from time to time, subject to the fulfilment of the following conditions:

- (a) the Manager and/or the Trustee shall:
 - (i) ensure that there is reliable infrastructure to enable the conduct of a virtual meeting including enabling the Unit Holders to exercise their rights to speak and vote at the virtual meeting;

- (ii) provide guidance to the Unit Holders on the requirements and method of participating in the virtual meeting using the selected platform;
 - (iii) identify a broadcast venue as the place of meeting and to state the online platform that will be used for the virtual meeting in the written notice to the Unit Holders;
 - (iv) ensure only Unit Holders are allowed to participate in the virtual meeting; and
 - (v) observe the applicable directive, safety and precautionary requirements prescribed by the relevant authorities;
- (b) the broadcast venue shall be a physical venue in Malaysia where the chairman of the meeting shall be physically present;
 - (c) participation by a Unit Holder in a Unit Holders' meeting by any of the communication facilities referred to in this section shall be deemed as present at the said Unit Holders' meeting and shall be counted towards the quorum notwithstanding the fact that the Unit Holder is not physically present at the main venue of where the Unit Holders' meeting is to be held; and
 - (d) the provisions of the Deed shall apply mutatis mutandis to a virtual meeting of Unit Holders.

Unless otherwise prescribed by the relevant laws, a Unit Holders' meeting summoned pursuant to this section shall not be deemed to have proceeded for such period or periods where any of the communication facilities referred to in this section have been disconnected. The chairman of the meeting shall have the discretion to adjourn the meeting which had been disconnected and which cannot be reconnected within a reasonable time, to another date and time to be agreed by the Unit Holders present at the meeting.

10.9 Meeting Directed by the Unit Holders

The Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) Unit Holders or one-tenth (1/10) of all the Unit Holders of the Fund or of that class of units, as the case may be, summon a meeting of the Unit Holders of the Fund or of a particular Class of the Fund by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders, at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager to the jointholder's last known address;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language national daily newspaper and in one other newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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

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

- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed;

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

10.10 Meeting Summoned by the Manager or the Trustee

The Manager or the Trustee may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days' written notice to Unit Holders; and
- (b) specifying in the notice, the place and time of the meeting and the terms of the resolutions to be proposed.

11 RELATED PARTY TRANSACTIONS OR CONFLICT OF INTEREST

All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties. The Fund may have dealings with parties related to the Manager. The related parties defined are AmIslamic Funds Management Sdn Bhd, AmInvestment Bank Berhad, AmInvestment Group Berhad, AmBank (M) Berhad and AmBank Islamic Berhad.

Trading in securities by an employee is allowed, provided that the policies and procedures in respect of the personal account dealing are observed and adhered to. The directors, investment committee members and employees are required to disclose their portfolio holdings and dealing transactions as required under the Personal Account Dealing Policy and the Management of Conflict of Interest Policy. Further, the abovementioned shall make disclosure of their holding of directorship and interest in any company.

To the best of Trustee's knowledge, there has been no event of conflict of interest or related party transaction which exists between the Trustee and the Manager or any potential occurrence of it.

12 ADDITIONAL INFORMATION

12.1 Keeping You Informed

When you invest

A transaction advice slip / tax invoice will be sent to you.

Statement of investment

We will send you a half-yearly statement. It will state the balance of units held by you together with all transactions made since the last statement.

Reports

We will send you:

- The annual report within two (2) months of the Fund's financial year end; and
- Quarterly reports within two (2) months of the end of the period covered.

Tax voucher

We will send you tax vouchers (if any) which will set out the information that is needed to complete your tax return form.

Internet

We publish updated information on our website www.aminvest.com.

Please take note that if you have invested through our appointed distributor via a nominee system of ownership, please obtain the above-mentioned information from that distributor.

12.2 Keeping Us Informed

Changing your account details

You will be required to inform us or your personal adviser from our appointed distributor in writing on any changes of your account details. Account details will amongst other things, include the following:

- your address;
- bank account details;
- signing instructions; and
- how income distributions are to be paid (if any).

Kindly ensure that you keep us or your personal adviser from our appointed distributor updated on any changes to your account details. This will enable us to keep you informed of the latest development of your investments and to ensure any payment of income distribution (if any) is paid successfully to your account or such cheque/ bank draft reaches you successfully at your updated address. Failure to inform us of any changes to your account details may result in us being unable to contact you and failure to make any income distribution payment to you, such income distribution will become unclaimed moneys and be treated as unclaimed moneys under Section 7.6.

Investor feedback and complaints

We encourage feedback from you in order for us to upgrade our services to meet your needs. Additionally, if you have any complaints, you may direct your complaints to your personal adviser from our appointed distributor. You may also direct your feedback or complaints to us by contacting our customer service representative at (03) 2032 2888 or email enquiries@aminvest.com. If you wish to write to us, please address your letter to:

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

13 DIRECTORY

Head Office AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: (03) 2032 2888 Fax: (03) 2031 5210
Email: enquiries@aminvest.com

Postal Address AmFunds Management Berhad
P.O. Box 13611, 50816 Kuala Lumpur

For enquiries about this Fund and any other funds offered by AmFunds Management Berhad, please call (03) 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday-Thursday), 8.45 a.m. to 5.00 p.m. (Friday)

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