



**THIRD SUPPLEMENTARY INFORMATION
MEMORANDUM DATED 1 MARCH 2024
IN RESPECT OF AMSUSTAINABLE SERIES -
POSITIVE CHANGE FUND
(FORMERLY KNOWN AS SUSTAINABLE
SERIES - POSITIVE CHANGE FUND)**

The Manager
AmFunds Management Berhad
Registration number: [198601005272 (154432-A)]

The Trustee
Deutsche Trustees Malaysia Berhad
Registration number: [200701005591 (763590-H)]

THIS THIRD SUPPLEMENTARY INFORMATION MEMORANDUM DATED 1 MARCH 2024 HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT INFORMATION MEMORANDUM FOR AMSUSTAINABLE SERIES - POSITIVE CHANGE FUND DATED 24 DECEMBER 2021, THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 12 AUGUST 2022 AND THE SECOND SUPPLEMENTARY INFORMATION MEMORANDUM DATED 28 FEBRUARY 2024.

AMSUSTAINABLE SERIES – POSITIVE CHANGE 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 MEMORANDUMS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY SOPHISTICATED INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 36 OF THE INFORMATION MEMORANDUM, PAGE 4 OF THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM AND PAGE 9 - 10 OF THIS THIRD SUPPLEMENTARY INFORMATION MEMORANDUM.

THIS THIRD SUPPLEMENTARY INFORMATION MEMORANDUM HAS TO BE READ IN CONJUNCTION WITH THE REPLACEMENT INFORMATION MEMORANDUM, THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM AND THE SECOND SUPPLEMENTARY INFORMATION MEMORANDUM FOR AMSUSTAINABLE SERIES - POSITIVE CHANGE FUND

RESPONSIBILITY STATEMENTS

This Third Supplementary Information Memorandum dated 1 March 2024 (the “Third Supplementary Information Memorandum”) in relation to the Replacement Information Memorandum for AmSustainable Series - Positive Change Fund dated 24 December 2021 (the “Replacement Information Memorandum”), the First Supplementary Information Memorandum dated 12 August 2022 and the Second Supplementary Information Memorandum dated 28 February 2024 (collectively, the “Information Memorandums”) has been reviewed and approved by the directors of AmFunds Management Berhad and they collectively and individually accept full responsibility for the accuracy of all information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Third Supplementary Information Memorandum false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has not authorised or recognised the AmSustainable Series - Positive Change Fund (the “Fund”) and a copy of this Third Supplementary Information Memorandum has not been registered with the Securities Commission Malaysia.

The lodgement of this Third Supplementary Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Third Supplementary Information Memorandum.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of AmFunds Management Berhad responsible for the Fund and takes no responsibility for the contents in this Third Supplementary Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Third Supplementary Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

SOPHISTICATED INVESTORS SHOULD 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.

ADDITIONAL STATEMENTS

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, and 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 the heading Risk Factors in the Information Memorandums.

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

Any reference to a time or day in the Information Memorandums 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 the Information Memorandums 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 the Information Memorandums 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.

The Information Memorandums do 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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Unless otherwise provided in this Third Supplementary Information Memorandum, all the capitalized terms used herein shall have the same meanings ascribed to them in the Information Memorandums.

EXPLANATORY NOTE

This Third Supplementary Information Memorandum has been issued to informed Sophisticated Investors of the following, but not limited to:

- the update made to the disclosure in “Definitions”;
- the update made to the investment strategy for the Fund;
- the update made to the Target Fund’s information; and
- the insertion of new specific risks associated with the investment portfolio of the Fund.

A. DEFINITIONS

Page 8 of the Information Memorandum

The definition of “**ESG Assessment Methodology**” is hereby inserted under this section:

ESG Assessment Methodology

The Fund will invest in the Target Fund that complies with the following Sustainable Finance Disclosure Regulation (“SFDR”) classification which the Manager deems ESG positive:

1. Article 8 – defined as “a fund which promoted, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices”; and
2. Article 9 – defined as “a fund that has sustainable investment as its objective or a reduction in carbon emissions as its objective”.

B. THE FUND’S DETAILED INFORMATION

Page 14 - 17 of the Replacement Information Memorandum

The disclosures on “**Investment Strategy**” hereby deleted and replaced with the following:

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.

The Fund is a qualified SRI fund. It invests in the Target Fund that adopts the “impact investing” strategy. This includes screening, selection, monitoring and realization of the Target Fund’s investments by the Investment Manager. 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.

The Target Fund will seek to achieve its objective primarily through investment in a concentrated but diversified portfolio of equity securities which shall principally be listed, traded or dealt in on one or more of the regulated markets and through investment in a concentrated but diversified portfolio of equities of companies whose products and/or services make a positive environmental and/or social impact. This will include companies addressing critical social challenges in areas such as, but not limited to: education, social inclusion, healthcare, the environment and the base of the pyramid (i.e. addressing the needs of the poorest four billion people in the world). The equity securities in which the Fund will invest shall primarily consist of common stocks and other transferable securities such as convertible securities, preferred securities, participation notes, convertible preferred securities, warrants and rights. The equity securities in which the Target Fund may invest will not be selected from any particular industry sector or from any particular country and may be of small, medium or large market capitalisation, with no specific target allocation between small, medium and large market capitalization companies.

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The investment strategy of the Target Fund is to produce capital growth over the long term and contribute towards a more sustainable and inclusive world by investing at least 90% in the equities of companies whose products and/or services in the Investment Manager's opinion, deliver a positive social and/or environmental impact. The Target Fund will invest in equities of companies which are listed, traded or dealt in on regulated markets worldwide. Companies that make a positive social and/or environmental impact are selected on an individual stock selection basis by a dedicated team of portfolio managers, using a 'bottom-up' approach and drawing on their own research and that of other investment teams at Baillie Gifford. The Investment Manager seeks to identify companies for whom delivering a positive social and/or environmental impact is core to their business; whose products and/or services represent an improvement to the prevailing practices; and who conduct business with honesty and integrity. This will include companies addressing critical challenges in the four impact themes, each of which represent key global challenges: (i) social inclusion and education; (ii) environment and resource needs; (iii) healthcare and quality of life; and (iv) base of the pyramid. Further detail on the rationale for each theme and the types of company to be invested in within each theme is below:

Social Inclusion and Education: Income and wealth inequalities have risen significantly over the past 30 years and now threaten the acceptance of capitalism as a force for good. The Target Fund will seek to invest in companies that are building a more inclusive society and/or are improving the quality or accessibility of education as the diffusion of skills and knowledge is one of the best tools to reduce inequality.

Environment and Resource Needs: The environmental impact of human activities is increasing, and basic resources such as food and water are becoming scarcer. Throughout history, climate change and famine have repeatedly limited the development of nations. Left unresolved, those problems could jeopardise international relations, destabilise our society and damage our planet. The Target Fund will seek to invest in companies that are improving resource efficiency and reducing the environmental impact of economic activities.

Healthcare and Quality of Life: People are living longer but not necessarily healthier. People are richer but are not necessarily happier. The stress of modern life is damaging to physical and mental health. The Target Fund will seek to invest in companies that are actively improving the quality of life in developed and developing countries.

Base of the Pyramid: Economic growth has led to improvements in living conditions in many parts of the world. However, the fruits of human ingenuity have not filtered down to everyone. The Target Fund will seek to invest in companies that are addressing the basic and aspirational needs of the billions of people at the bottom of the global income ladder.

Investments will initially be selected by the Investment Manager based on its own research. The impact analysts within the Investment Manager conduct independent analysis of a company's products and services to assess whether they contribute to one of the social impact themes. The impact analysis is carried out using a framework that is based upon assessing three factors: (i) intent, (ii) product impact and (iii) business practices. Further information on these three factors is below.

Intent: Understanding a company's intent towards delivering positive change can help the Investment Manager to understand how likely it is that the company will deliver on the expected impact which involves considering a company's mission and how it is implemented; its strategy; actions commitments and structures; and influence on wider society.

Product Impact: All companies in the Target Fund's portfolio are included because their products and services address a global environmental or social challenge. The Investment Manager's assessment of product impact considers the relationship between the product and the problem; the breadth and depth of the impact; and the materiality of the product or service both in the context of the business and the problem. As part of the assessment of product impact, the contribution that the companies' products and/or services are making to the Sustainable Development Goals (SDGs) is mapped by using the 169 targets that underpin the SDGs. Companies are assessed to determine which targets they are contributing to through the delivery of their products and the SDG mapping methodology and process has been independently assessed by a third-party auditor.

Business Practices: Understanding a company's ESG business practices helps to determine whether it can achieve sustainable growth which involves considering a company's actions across the full value chain and its relationships with all stakeholders.

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Details of Investment Manager's approach are outlined in Investment Manager divestment policy appended to the Investment Manager ESG principles and guidelines. The decision to divest from a company as a result of a breach of a threshold and/or the principles will be determined based on a combination of third-party data, investment manager own internal research and potential company engagement, not solely based on third-party data sources alone.

If the percentage levels of revenue are approaching the threshold Investment Manager will, where appropriate, engage with the company to discuss the reason for the change and the likely direction of travel over time.

If, using their own internal research as described above, Investment Manager concludes that there is a breach of the threshold, and this breach is expected to be sustained, they will divest from the company:

- At the first opportunity where it is possible to do so without material financial detriment to investors and taking due account of the interests of such investors.
- At the maximum within one month from the date upon which the threshold was identified as being breached based on Investment Manager's internal research.

Target Fund that applies norms-based evaluation will not invest in securities (equities and/or corporate bonds) that, in the Investment Manager's judgment, have severe breaches of the principles and are not demonstrating positive perspective (ie not showing clear time-bound intent and evidence to improve behaviour against any such breach). If a holding is identified as having breached the principles based on the judgement, supported by their own internal research alongside data feeds from third-party sources, a formal engagement and monitoring process will be implemented. Investment Manager would expect to see material improvement within a reasonable timeframe (a maximum of three years) and should a company fail to demonstrate progress then they would divest. Where they are required to sell, Investment Manager will divest from the company:

- At the first opportunity where it is possible to do so without material financial detriment to investors and taking due account of the interests of such investors.
- At the maximum within one month from the date upon which the formal engagement process is deemed to have failed based on Investment Manager's internal research.

A positive change impact report is published annually and is publicly available on the Baillie Gifford website. This report shows how each company in the portfolio is delivering positive change through its products and services. Key metrics for each individual company in relation to the contribution made by their products and services to the four impact themes and their contribution to the SDGs are included in the report.

The Target Fund's investment strategy adopts the above investing strategy. The Investment Manager may take temporary defensive positions that may be inconsistent with the Target Fund's investment strategy in response to adverse market, economic, political or any other market conditions. In such circumstances, the Target Fund typically invests at least 90% of its assets in equity securities of issuers that the Investment Manager believes are positively aligned with sustainable investment themes and may hold up to 10% of its assets in liquid assets as a defensive strategy.

The Fund will not be adopting any temporary defensive strategies during adverse market condition as the Fund is passively managed. Any breach as a result of:-

- (i) appreciation or depreciation in value of the Fund's investments; or
- (ii) repurchase of units or payment made out of the Fund,

need not be reported to the SC and must be rectified as soon as practical within seven (7) business days from the date of the breach. The seven-business day period may be extended to three (3) months if it is in the best interest of Unit Holders and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee.

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.

C. INFORMATION ON BAILLIE GIFFORD WORLDWIDE POSITIVE CHANGE FUND (THE TARGET FUND)

Page 19 - 35 of the Replacement Information Memorandum and page 3 - 4 of the First Supplementary Information Memorandum

1. The disclosure under Section 4.3 “**Investment Objective**” is hereby deleted and replaced with the following:

“The investment objectives of the Target Fund are to produce capital growth over the long term and to contribute towards a more sustainable and inclusive world by investing primarily in the equities of companies whose products and/or services make a positive social and/or environmental impact. The Target Fund may also invest in other transferable securities, money market instruments, cash and cash equivalents.

2. The disclosure under Section 4.4 “**Profile of a Typical Investor**” is hereby deleted and replaced with the following:

“A typical investor in the Target Fund will seek exposure to growth investments over the long term and will not look to an investment in the Fund as a regular source of income nor be concerned about short term volatility and performance.

There can be no assurance that the Target Fund will achieve its investment objectives. The Target Fund is expected to experience high volatility at times as a result of its investment strategies.

An investment in the Target Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.”

3. The disclosure under Section 4.5 “**Investment Policy**” is hereby deleted and replaced with the following:

The Target Fund will seek to achieve its objective primarily through investment in a concentrated but diversified portfolio of equity securities which shall principally be listed, traded or dealt in on one or more of the regulated markets and through investment in a concentrated but diversified portfolio of equities of companies whose products and/or services make a positive environmental and/or social impact. This will include companies addressing critical social challenges in areas such as, but not limited to: education, social inclusion, healthcare, the environment and the base of the pyramid (i.e. addressing the needs of the poorest four billion people in the world). The equity securities in which the Fund will invest shall primarily consist of common stocks and other transferable securities such as convertible securities, preferred securities, participation notes, convertible preferred securities, warrants and rights. The equity securities in which the Target Fund may invest will not be selected from any particular industry sector or from any particular country and may be of small, medium or large market capitalisation, with no specific target allocation between small, medium and large market capitalization companies.

The investment strategy of the Target Fund is to produce capital growth over the long term and contribute towards a more sustainable and inclusive world by investing at least 90 per cent. in the equities of companies whose products and/or services in the Investment Manager’s opinion, deliver a positive social and/or environmental impact. The Target Fund will invest in equities of companies which are listed, traded or dealt in on regulated markets worldwide. Companies that make a positive social and/or environmental impact are selected on an individual stock selection basis by a dedicated team of portfolio managers, using a ‘bottom-up’ approach and drawing on their own research and that of other investment teams at Baillie Gifford. The Investment Manager seeks to identify companies for whom delivering a positive social and/or environmental impact is core to their business; whose products and/or services represent an improvement to the prevailing practices; and who conduct business with honesty and integrity. This will include companies addressing critical challenges in the four impact themes, each of which represent key global challenges: (i) social inclusion and education; (ii) environment and resource needs; (iii) healthcare and quality of life; and (iv) base of the pyramid. Further detail on the rationale for each theme and the types of company to be invested in within each theme is below:

Social Inclusion and Education: Income and wealth inequalities have risen significantly over the past 30 years and now threaten the acceptance of capitalism as a force for good. The Target Fund will seek to invest in companies that are building a more inclusive society and/or are improving the quality or accessibility of education as the diffusion of skills and knowledge is one of the best tools to reduce inequality.

Environment and Resource Needs: The environmental impact of human activities is increasing, and basic resources such as food and water are becoming scarcer. Throughout history, climate change and famine have repeatedly limited the development of nations. Left unresolved, those problems could jeopardise international relations, destabilise our society and damage our planet. The Target Fund will seek to invest in companies that are improving resource efficiency and reducing the environmental impact of economic activities.

Healthcare and Quality of Life: People are living longer but not necessarily healthier. People are richer but are not necessarily happier. The stress of modern life is damaging to physical and mental health. The Target Fund will seek to invest in companies that are actively improving the quality of life in developed and developing countries.

Base of the Pyramid: Economic growth has led to improvements in living conditions in many parts of the world. However, the fruits of human ingenuity have not filtered down to everyone. The Target Fund will seek to invest in companies that are addressing the basic and aspirational needs of the billions of people at the bottom of the global income ladder.

Investments will initially be selected by the Investment Manager based on its own research. The impact analysts within the Investment Manager conduct independent analysis of a company's products and services to assess whether they contribute to one of the social impact themes. The impact analysis is carried out using a framework that is based upon assessing three factors: (i) intent, (ii) product impact and (iii) business practices. Further information on these three factors is below.

Intent: Understanding a company's intent towards delivering positive change can help the Investment Manager to understand how likely it is that the company will deliver on the expected impact which involves considering a company's mission and how it is implemented; its strategy; actions commitments and structures; and influence on wider society.

Product Impact: All companies in the Target Fund's portfolio are included because their products and services address a global environmental or social challenge. The Investment Manager's assessment of product impact considers the relationship between the product and the problem; the breadth and depth of the impact; and the materiality of the product or service both in the context of the business and the problem. As part of the assessment of product impact, the contribution that the companies' products and/or services are making to the Sustainable Development Goals (SDGs) is mapped by using the 169 targets that underpin the SDGs. Companies are assessed to determine which targets they are contributing to through the delivery of their products and the SDG mapping methodology and process has been independently assessed by a third party auditor.

Business Practices: Understanding a company's ESG business practices helps to determine whether it can achieve sustainable growth which involves considering a company's actions across the full value chain and its relationships with all stakeholders.

A positive change impact report is published annually and is publicly available on the Baillie Gifford website. This report shows how each company in the portfolio is delivering positive change through its products and services. Key metrics for each individual company in relation to the contribution made by their products and services to the four impact themes and their contribution to the SDGs are included in the report.

In addition, the Investment Manager will:

- (a) assess equities using a norms-based evaluation and will comply with the Investment Manager's policy on assessing breaches of the United Nations Global Compact Principles for Business as outlined in its ESG Principles and Guidelines document; and
- (b) exclude from the Fund's holdings companies that derive:

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- (i) more than 10 per cent. of annual revenues from the production and/or distribution of military weapon systems and components, and provision of support systems and services for production of military weapon systems and components;
- (ii) more than 30 per cent. of annual revenues from the mining and/or sale of thermal coal; or
- (iii) more than 5 per cent. of annual revenues from the production of tobacco.

These assessments will be made by the Investment Manager's own research (including company engagement) and a combination of third party data sources (such as Sustainalytics and MSCI). These considerations apply at the time of acquisition of the equity securities and in the event of any subsequent inadvertent holding of an equity security not aligned with these considerations, the Investment Manager shall seek to dispose of any such securities as soon as reasonably practicable in line with Baillie Gifford's divestment policy as outlined in the Investment Manager's ESG principles and guidelines document. The assessment of whether companies follow good governance practices requires active engagement and demonstration of stewardship through company engagement and analysis in accordance with the stewardship principles included in the Investment Manager's ESG principles and guidelines document.

More detail on the Investment Manager's approach to sustainability can be found in the ESG Principles and Guidelines document, available publicly on the Baillie Gifford website. [Responsible investment | About Us | Baillie Gifford](#)

[\(bailliegifford.com/en/global/all-users/literature-library/corporate-governance/our-stewardship-approach-esg-principles-and-guidelines/\)](http://bailliegifford.com/en/global/all-users/literature-library/corporate-governance/our-stewardship-approach-esg-principles-and-guidelines/)

Cash is a residual element of the investment process. Cash may be held on deposit by the Target Fund. Cash equivalents may also be held by the Target Fund from time to time. Cash equivalents are commercial paper, banker's acceptances, certificates of deposit and government securities or securities issued by any Supranational Organisation, provided these securities are listed, traded or dealt in on a Regulated Market and are rated investment grade or better by a recognised rating agency.

Investments in Emerging Market Countries may be acquired subject to a limit of 50 per cent. of the net asset value of the Target Fund.

In relation to investment in China, the Target Fund may have exposure to permissible People's Republic of China ("PRC") instruments directly via the Stock Connects and/or through FII Scheme (including via the Science and Technology Innovation Board ("STAR Board") of the Shanghai Stock Exchange and ChiNext market of the Shenzhen Stock Exchange via the Stock Connects or FII Scheme) or indirectly via investments in structured notes, participation notes, equity-linked notes or eligible collective investment schemes that invest primarily in permissible PRC instruments, structured notes, participation notes, equity-linked notes and similar financial instruments. The underlying assets of the structured notes, participation notes and equity linked notes must consist of securities issued by companies quoted on Regulated Markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on regulated markets in China.

The Target Fund will not invest more than 10 per cent of its net asset value in units or shares of eligible collective investment schemes, including exchange traded funds. The eligible collective investment schemes in which the Target Fund may invest will have similar investment objectives and policies to the Target Fund.

The Target Fund may invest in currency forwards to reduce currency risk but not to take active positions on currency. Such use will be for efficient portfolio management purposes.

Other than the Target Fund's investment in convertible securities, preferred securities, participation notes, convertible preferred securities, warrants and rights for investment purposes, the Target Fund may only use financial derivative instruments for efficient portfolio management purposes. To the extent that the Target Fund uses financial derivative instruments which create leverage, the limits on global exposure will be measured using the commitment approach, whereby such leverage cannot exceed 100 per cent. of the net asset value of the Target Fund. A financial derivative instruments risk management process, setting out the types of financial derivative instruments in which the Target Fund may invest has been filed with the Central Bank in accordance with the UCITS Rules. Derivatives, in general, involve special risks and costs and may result in losses to the Target Fund.

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Other than through investment in convertible securities, preferred securities, convertible preferred securities, warrants, rights, structured notes, participation notes and equity-linked notes as set out above, the Target Fund will not actively take positions in securities which contain embedded derivatives but it may acquire them passively through corporate actions, for example, where the Fund is issued with securities pursuant to a rights issue in respect of a pre-existing investment and those securities have warrants attached to them. The Investment Manager does not expect such embedded derivatives to be leverage.

The Target Fund's performance (after deduction of costs) is measured against the MSCI ACWI Index (the "Index"). The Target Fund seeks to materially outperform the Index over the long term.

The Target Fund is actively managed and the Investment Manager uses its discretion to invest in assets which are not included in the Index or with weightings different to that of the Index. For the avoidance of doubt, the Investment Manager considers that the Index is not used for the purpose of determining or constraining the composition of the Target Fund's portfolio.

The Target Fund is classified pursuant to Article 9 of the Sustainable Finance Disclosure Regulation ("SFDR") as its objective is to invest in sustainable investments as defined under the SFDR by investing in companies whose products and/or services make a positive environmental and/or social impact. A portion of these sustainable investments are in economic activities that contribute to environmental objectives including those that are covered by the taxonomy regulation's technical screening criteria. The expected minimum level of taxonomy alignment is at least 1 per cent. of the Target Fund's investments."

D. RISK FACTORS

Page 37 - 38 of the Replacement Information Memorandum and page 4 of the First Supplementary Information Memorandum

The information in relation to "**Specific risks associated with the investment portfolio of the Fund**" is hereby inserted with the following:

| Specific risks associated with the investment portfolio of the Fund | |
|--|--|
| Sustainability and Responsible Investment and Impact Risk | <p>As the Fund via investment in the Target Fund has an intention to generate positive sustainable and responsible impact alongside a financial return ("impact"), the investor must be able to accept temporary capital losses due to the potentially restricted number of companies that the Target Fund can invest in due to those companies which may not meet the sustainability considerations requirement and, consequently, should view investment in the Fund as a long-term investment.</p> <p>The Target Fund may seek to exclude holdings deemed inconsistent with the sustainability considerations. As a result, the investments of the Target Fund will be more limited than other funds that do not apply sustainability considerations. The Target Fund may be precluded from purchasing, or required to sell, certain investments that are inconsistent with its investment policy and sustainability considerations which might otherwise be advantageous to hold. The incorporation of sustainability considerations could result in performance that is better or worse than the performance of the other funds depending on the performance of the excluded investments and the investments included in place of such excluded investments of the Target Fund. The ESG Assessment Methodology such as the methodology used by the Manager for assessing the Target Fund with scoring matrix is incorporated in our investment process to mitigate this risk.</p> |
| Greenwashing Risk | <p>Greenwashing is defined as making false, misleading or unsubstantiated claims about the positive environmental impact of an investment product. The Fund via investment in the Target Fund may inadvertently invest into such products, without prior knowledge of the fraudulent claims. As greenwashing could result in reputational risk, regulatory fines, and/or withdrawal of the products, there could be a negative impact on the value of the Target Fund and the Fund.</p> <p>In mitigating the greenwashing risk, there are governance and guidelines in place for assessing the sustainability of the Target Fund. The methodology of ESG score for Target</p> |

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Specific risks associated with the investment portfolio of the Fund

Fund is approved by appropriate approving authority internally, and the ESG score for Target Fund is updated periodically if there is changes, i.e. on a monthly basis. The Manager also will monitor any negative news to the Target Fund and Investment Manager in relation to greenwashing.

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