



Oaktree (Lux.) Funds Prospectus

Société d'Investissement à Capital Variable
a UCITS incorporated under Luxembourg law

July 2022

This is an offer to subscribe for Shares without par value issued in Oaktree (Lux.) Funds (the “Company”), each Share being linked to one of the sub-funds of the Company (each, a “Sub-Fund”, and together, the “Sub-Funds”).

Important Information

If you are in any doubt about the contents of this prospectus, you should consult your financial or other professional advisor. No person is authorized to give any information other than that contained in the prospectus, or any of the documents referred to herein that are available for public inspection at the registered office of the Company. The board of directors of the Company is not liable for any information about the Company and the Sub-Funds that is not contained in the prospectus or any such document.

The Company is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment in transferable securities with multiple compartments pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (“UCI Law”) and Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 (“UCITS Directive”). However, such registration does not imply a positive assessment by the Luxembourg financial supervisory authority, *Commission de Surveillance du Secteur Financier* (“CSSF”) of the contents of the prospectus or of the quality of the shares offered for sale. Any representation to the contrary is unauthorized and unlawful.

The information contained in the prospectus is considered to be accurate at the date of its publication. To reflect material changes, the prospectus may be updated from time to time and potential subscribers should enquire of the Company as to the issue of any later prospectus.

The distribution of the prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of the prospectus and any persons wishing to subscribe for Shares pursuant to the prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Shares should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or sale of shares.

An investment in Shares involves significant risks. Investors should read this prospectus in its entirety and should consider the risks described under section 3 headed “Risk Factors” before investing in Shares.

Investors are referred to section 4.12 headed “Taxes” which contains a short summary of certain important taxation principles that may be or may become relevant with respect to the shares.

The Company also publishes key investor information documents (“KIIDs”) that include the information necessary for investors to make an informed judgment of the investment proposed to them and, in particular, the risks attached thereto.

Subscriptions for Shares can be accepted only on the basis of the current prospectus, KIIDs and application form. The Company will produce an annual report, containing the audited accounts, and un-audited semi-annual reports. The prospectus will be valid only if accompanied by the latest annual report (along with any more recent semi-annual report, if published). These reports in their latest version will form an integral part of the prospectus.

The Company draws the investors’ attention to the fact that any investor will only be able to fully exercise their investor rights directly against the Company, notably the right to participate in general shareholders’ meetings if the investor is registered himself and in their own name in the shareholders’ register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are recommended to exercise their rights in this regard.

In the case of any inconsistency in translations of the prospectus, the English version shall prevail.

VISA 2022/169665-7677-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2022-07-08
Commission de Surveillance du Secteur Financier



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definitions

The following terms have the following meanings in the prospectus. A singular term includes the plural and vice versa. All references to laws and documents are to those laws and documents as amended, supplemented or replaced from time to time. Other terms are defined in the prospectus.

“Administrator”	State Street Bank International GmbH, Luxembourg Branch, as administrator
“AnIV-Investor”	German insurance company or pension fund subject to the provisions of the VAG or any other German investor to which according to special laws or other rules, the capital investment provisions of the VAG and/or an investment ordinance issued thereunder applies, such as German professional pension schemes (<i>Versorgungswerke</i>)
“Articles of Incorporation”	Articles of incorporation of the Company
“A Shares”	Shares of the companies incorporated in the PRC that are listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange and quoted in RMB.
“Board”	Board of Directors of the Company
“Business Day”	Any day on which banks are open for business in Luxembourg
“Company”	Oaktree (Lux.) Funds
“CSSF”	<i>Commission de Surveillance du Secteur Financier</i>
“Cut-Off Time”	The time by which the Transfer Agent must receive an application in respect of a Valuation Date for such application to be processed on such Valuation Date
“Depository”	State Street Bank International GmbH, Luxembourg Branch, as depository
“Director”	Director of the Company
“Disclosure Regulation”	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability - related disclosures in the financial services sector
“Distressed Securities”	Securities in which the issuer of such securities files a petition in bankruptcy, becomes subject to an involuntary insolvency proceeding that is not dismissed within 60 days of the filing of such proceeding or seeks relief from creditors under any bankruptcy or reorganization law
“ESG”	Environmental, social and governance
“Global Distributor”	Oaktree Capital Management (UK) LLP, as global distributor
“Global Management Fee”	With respect to each Share Class, the distribution fee and the portfolio management fee, together, as set out in section 2 headed “The Sub-Funds”
“Institutional Investor”	Investor meeting the requirements to qualify as institutional investor under article 174 of the UCI Law as construed from time to time by the CSSF.
“Investment Manager”	With respect to each Sub-Fund, the investment manager appointed to manage the assets of such Sub-Fund, as set out in section 2 headed “The Sub-Funds”
“Investment Sub-Manager”	With respect to each Sub-Fund, the investment sub-manager appointed to manage the assets of such Sub-Fund, as set out in section 2 headed “The Sub-Funds”
“KIID”	Key investor information document
“Management Company”	FundRock Management Company S.A., as management company
“NAV” or “Net Asset Value”	Net asset value
“Oaktree”	Oaktree Capital Management, L.P.
“Other Fund”	Other funds and accounts managed by an Investment Manager
“Prohibited Persons”	Any person, firm, partnership or corporate body whose ownership of Shares, in the sole opinion and discretion of the Board, may be detrimental to the interests of existing Shareholders or of the Company if it may result in a breach of any law or regulation, whether in Luxembourg or otherwise, or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not otherwise have incurred. For the avoidance of doubt, the term “Prohibited Persons” includes U.S. Persons (as defined in the Articles of Incorporation)
“Redemption Fee”	Redemption fee, as set out in section 2 headed “The Sub-Funds”
“Reference Currency”	With respect to each Sub-Fund, the reference currency of such Sub-Fund, as set out in section 2 headed “The Sub-Funds”
“SFDR”	Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector
“Share”	Share issued in the Company
“Share Class”	Class of Shares
“Shareholder”	Holder of one or more Shares



“Sub-Fund”	Sub-fund of the Company
“Subscription Fee”	Subscription fee, as set out in section 2 headed “The Sub-Funds”
“Sustainability Risk”	an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and potentially a total loss of its value and therefore an impact on the Net Asset Value of the concerned Sub-Fund
“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, and amending Regulation (EU) 2019/2088
“Transfer Agent”	State Street Bank International GmbH, Luxembourg Branch, as transfer agent
“Swing Factor”	the percentage of Net Asset Value estimated to reflect the actual prices and costs of the underlying transactions used to adjust the Net Asset Value per Share under section 4.7 “Swing pricing adjustments”
“UCI Law”	The Luxembourg law of 17 December 2010 on undertakings for collective investment
“UCITS Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities
“UCITS Regulation”	Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries
“VAG”	German Insurance Act (<i>Versicherungsaufsichtsgesetz</i>)
“Valuation Date”	With respect to each Sub-Fund and except as otherwise set out in section 2 headed “The Sub-Funds”, any Business Day that does not fall within a period during which the determination of the NAV of such Sub-Fund is suspended
“WBS”	Whole business securitization. Means a form of financing in which the cash flows derive from the entire range of operating revenues generated by a whole business or a segregated part of a larger business. This type of securitization raises funds through the issues of secured loans by special purpose vehicles.

1 the company

Oaktree (Lux.) Funds is a public limited company registered in Luxembourg as an undertaking for collective investment in transferable securities pursuant to Part I of the UCI Law. The Company is a single legal entity and is structured as an umbrella fund offering a range of Sub-Funds. There is no cross liability between Sub-Funds and each Sub-Fund will be exclusively responsible for all obligations and liabilities attributable to it. More information about the Company, the Board, the Management Company and the other service providers is set out in section 5 headed “Management and Administration”.

The main objective of the Company is to provide Shareholders with a choice of professionally managed Sub-Funds investing in a wide range of transferable securities in order to achieve an optimum return from capital invested, while reducing investment risk through diversification.

2 the sub-funds

The specific investment objective and other characteristics of each Sub-Fund and Share Classes are described below. Certain Share Classes may be restricted to certain type of investors (see section 4.1. headed “Share Classes”). All Sub-Funds are also subject to the restrictions set out in Appendix A headed “Investment Powers and Restrictions” and Appendix B headed “Risk Management”.

2.1 oaktree (lux.) funds – oaktree global high yield bond fund

2.1.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to achieve superior risk-adjusted returns by investing primarily in corporate high yield bonds, emphasising North American and European issuers.

The Sub-Fund is actively managed with reference to a benchmark ICE BofAML Non-Financial Dev. Markets HY Constr. (TR). While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark.

The Sub-Fund will not purchase debt securities or obligations rated Caa1 or below by Moody’s and CCC+ or below by S&P, or purchase comparable non-rated debt securities or obligations, if immediately after and as a result of such purchase more than 35% of its NAV would be invested in such debt securities or obligations.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities. In addition, the Sub-Fund may invest in WBS on an ancillary basis.

The Sub-Fund may use derivatives for hedging purposes.

2.1.2 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager and/or the Investment Sub-Manager make investment decisions having regard to the Sub-Fund's investment policy and objectives, taking into account Sustainability Risks and Oaktree Group's broader policies and procedures on responsible investing.

2.1.3 Investment Manager

Oaktree Capital Management, L.P.

2.1.4 Investment Sub-Manager

Oaktree Capital Management (UK) LLP

2.1.5 Reference Currency

USD

2.1.6 Cut-Off Time and Payment

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription and redemption monies must be paid within two Business Days after the Valuation Date.

2.1.7 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed "swing pricing adjustments". The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.1.8 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest in high yield bonds issued primarily by North American and European issuers. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.

2.1.9 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.20%	-	2%	2%	Daily
E	0.60%	-	-	-	Daily
I	0.50%	2,000,000	-	-	Daily
J	0.60%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily

2.2 oaktree (lux.) funds – oaktree north american high yield bond fund

2.2.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to generate superior risk-adjusted returns by investing primarily in U.S. dollar denominated corporate high yield bonds, issued by North American issuers.

The Sub-Fund is actively managed with reference to a benchmark FTSE High-Yield Cash-Pay Capped Index. While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities. In addition, the Sub-Fund may invest in WBS on an ancillary basis.

The Sub-Fund may use derivatives for hedging purposes.

2.2.2 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager makes investment decisions having regard to the Sub-Fund's investment policy and objectives, taking into account Sustainability Risks and Oaktree Group's broader policies and procedures on responsible investing.

2.2.3 Investment Manager

Oaktree Capital Management, L.P.

2.2.4 Reference Currency

USD

2.2.5 Cut-Off Time and Payment

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription and redemption monies must be paid within two Business Days after the Valuation Date.

2.2.6 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed “swing pricing adjustments”. The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.2.7 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest in high yield bonds issued primarily by North American issuers. It is designated for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.

2.2.8 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.20%	-	2%	2%	Daily
E	0.60%	-	-	-	Daily
I	0.50%	2,000,000	-	-	Daily
J	0.60%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily

2.3 oaktree (lux.) funds – oaktree european high yield bond fund

2.3.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to achieve superior risk-adjusted returns by investing primarily in high yield bonds issued by European issuers and on an ancillary basis in high yield bonds denominated in European currencies issued by North American issuers.

The Sub-Fund is actively managed with reference to the benchmark ICE BofAML Global HY European Iss. Non-Fin. Excl. Russia (TR) (EUR-H). While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities. In addition, the Sub-Fund may invest in WBS on an ancillary basis.

The Sub-Fund may use derivatives for hedging purposes.

2.3.2 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager makes investment decisions having regard to the Sub-Fund's investment policy and objectives, taking into account Sustainability Risks and Oaktree Group's broader policies and procedures on responsible investing.

2.3.3 Investment Manager

Oaktree Capital Management (UK) LLP

2.3.4 Reference Currency

EUR

2.3.5 Cut-Off Time and Payment

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription and Redemption monies must be paid within three Business Days after the Valuation Date.

2.3.6 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed “swing pricing adjustments”. The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.3.7 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest primarily in high yield bonds issued by European issuers and high yield bonds denominated in European currencies issued by North American issuers. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.

2.3.8 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.20%	-	2%	2%	Daily
E	0.60%	-	-	-	Daily
I	0.50%	2,000,000	-	-	Daily
J	0.60%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily

2.4 oaktree (lux.) funds – oaktree global convertible bond fund

2.4.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to achieve an attractive total return from a combination of current income and capital appreciation by investing in a diversified portfolio of U.S. and non-U.S. convertible securities and high income securities. The Sub-Fund is actively managed with reference to the benchmark Thomson Reuters CV Gl. Focus (TR) (USD-Hgd). While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark.

There is no requirement that any security be rated “investment grade” by any rating agency. The relative allocation of the Sub-Fund’s NAV will be: 10-90% U.S. convertible securities (including high income securities, which are predominately U.S.) and 10-90% non-U.S. convertible securities. The precise allocation within these ranges will vary from time to time based on market fluctuations, the relative availability of attractive opportunities and other factors that the Investment Manager may consider in its discretion. To achieve this objective, the Sub-Fund will seek to invest in a diversified portfolio of convertible securities, which individually, and therefore collectively, may capture a higher percentage of their underlying stocks’ gains than the percentage losses that they will reflect.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities.

The Sub-Fund may use derivatives for hedging purposes.

2.4.2 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager makes investment decisions having regard to the Sub-Fund’s investment policy and objectives, taking into account Sustainability Risks and Oaktree Group’s broader policies and procedures on responsible investing.

2.4.3 Investment Manager

Oaktree Capital Management, L.P.

2.4.4 Reference Currency

USD

2.4.5 Cut-Off Time and Payment

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription and redemption monies must be paid within two Business Days after the Valuation Date.

2.4.6 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed “swing pricing adjustments”. The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.



2.4.7 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest in convertible securities issued by issuers globally. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.

2.4.8 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.20%	-	2%	2%	Daily
E	0.60%	-	-	-	Daily
I	0.50%	2,000,000	-	-	Daily
J	0.60%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily

2.5 oaktree (lux.) funds – oaktree global ex-u.s. convertible bond fund

2.5.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to obtain an attractive total return from a combination of current income and capital appreciation by investing in a diversified portfolio of convertible bonds where the underlying equity's risk exposure is predominantly outside the United States. The Sub-Fund is actively managed in reference to the benchmark Thomson Reuters CV GI Focus ex US (TR) (EUR-Hgd). While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark. There is no requirement that any security be rated "investment grade" by any rating agency. To achieve this objective, the Sub-Fund will seek to invest in a diversified portfolio of convertible bonds which individually, and therefore collectively, may capture a higher percentage of their underlying stocks' gains than the percentage losses that they will reflect.

The Sub-Fund will not invest in U.S. convertible securities.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities.

The Sub-Fund may use derivatives for hedging purposes.

2.5.2 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager makes investment decisions having regard to the Sub-Fund's investment policy and objectives, taking into account Sustainability Risks and Oaktree Group's broader policies and procedures on responsible investing.

2.5.3 Investment Manager

Oaktree Capital Management, L.P.

2.5.4 Reference Currency

EUR

2.5.5 Cut-Off Time and Payment

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription and redemption monies must be paid within three Business Days after the Valuation Date.

2.5.6 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed "swing pricing adjustments". The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.5.7 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest in convertible bonds where the underlying equity's risk exposure is predominantly outside the United States. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.



2.5.8 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.20%	-	2%	2%	Daily
E	0.60%	-	-	-	Daily
I	0.50%	2,000,000	-	-	Daily
J	0.60%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily

2.6 oaktree (lux.) funds – oaktree emerging markets equity fund

2.6.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to obtain attractive risk-adjusted returns relative to the Morgan Stanley Capital International Emerging Markets Index Net. The Sub-Fund is actively managed with reference to the Morgan Stanley Capital International Emerging Markets Index Net. While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described below. The Investment Manager and/or the Sub-Investment Manager have an ample degree of freedom to deviate from the benchmark.

The Investment Manager and/or the Sub-Investment Manager utilise a long-only investment strategy by investing primarily in equities and similar instruments issued by (a) companies which are part of the benchmark or (b) companies that have a country of risk which is included in the benchmark or is not classified by the World Bank as a high income country. In addition, the Sub-Fund may also make investments which do not meet the foregoing criteria.

The Sub-Fund will not invest more than 5% of its NAV in private placements that are both unrelated to listed securities and fail to convey near-term registration rights, in accordance with Article 41 (2) of the UCI Law.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities.

In addition, the Sub-Fund may invest in China A-Shares through institutions that have obtained the Qualified Foreign Institutional Investor (“QFII”) status in the People’s Republic of China (“PRC”) and/or the Shanghai/Shenzhen-Hong Kong Stock Connect scheme.

The Sub-Fund will inform AnIV-Investors before they subscribe for Shares in the Sub-Fund if, at such time, it holds (i) any debt instruments that are rated below investment grade (equivalent to BBB- by S&P and Fitch or Baa3 by Moody’s) or (ii) any Distressed Securities.

Notwithstanding the foregoing, during any period when an AnIV-Investor is a Shareholder of the Sub-Fund:

- The Sub-Fund will not invest in debt instruments that, at the time of investment, are rated below investment grade (equivalent to BBB- by S&P and Fitch or Baa3 by Moody’s), without the prior consent of all Shareholders of the Sub-Fund that are AnIV-Investors.
- If a debt instrument held by the Sub-Fund is subsequently downgraded below investment grade, (i) if the instrument is downgraded to speculative grade (equivalent to B- by S&P and Fitch or B3 by Moody’s), the Company will promptly inform all Shareholders that are AnIV-Investors, and (ii) if the instrument is downgraded below speculative grade, the Sub-Fund will sell the instrument immediately.
- The Sub-Fund will not invest in non-debt securities that, at the time of investment, are Distressed Securities. If a non-debt security held by the Sub-Fund subsequently becomes a Distressed Security, the Sub-Fund will sell the security immediately.

The Sub-Fund may use derivatives for hedging purposes and investment purposes (including p-notes).

2.6.2 Disclosure Relating to Specific Investments

Investments in China

Under the prevailing regulations in the PRC, foreign investors can invest in China A-Shares through institutions that have obtained the QFII status in the PRC and issue p-notes or other access products providing exposure to China A-Shares. The current QFII regulations impose certain restrictions (including rules on investment restrictions, QFII quota utilization¹ and repatriation of principal and profits) on China A-Share investments.

In extreme circumstances, the Sub-Fund may incur losses due to limited investment opportunities, or may not be able to fully implement or pursue its investment objectives or strategy, due to QFII investment restrictions, illiquidity of the China A-Shares market, and/or delay or disruption in execution of trades or in settlement of trades. In addition, there is no guarantee that the Sub-Fund will continue to benefit from the QFII. Should the QFII lose its QFII status or retire or be removed, or should the QFII’s investment quota be revoked or reduced, the Sub-Fund may not be able to invest in China A-Shares through the p-notes or other access products issued by the QFII, and the Sub-Fund may be required to dispose of its holdings, which may have a material adverse effect on the Sub-Fund.

In addition, investments by the Sub-Fund in p-notes or other access products referencing China A-Shares and other permissible securities denominated in renminbi (“RMB”) are issued to the Sub-Fund in US dollars while the investments by the QFII in the underlying China A-Shares will be made in RMB. The Sub-Fund will then be exposed to any fluctuation in the exchange rate between its Reference Currency and the RMB in respect of such investments.

¹ On 10 September 2019, the State Administration of Foreign Exchange of the PRC (“SAFE”) has announced the cancellation of the investment quota limitations of QFII and RQFII (the “Notice”). As specified in the Notice, qualified QFII / RQFII will only need to go through relevant registration procedure, so as to remit funds independently to make securities investment in accordance with relevant QFII / RQFII regulations. That being said, the Notice did not specify when the removal of investment quota limitations will take effect officially, and SAFE stated that it will amend the relevant rules and regulations as soon as possible to implement its decision. Since the implementation rules have not been finalised yet, in practice, the quota limitations still apply and new QFII/RQFII applicants still need to apply quotas from SAFE in order to invest into China under those two channels. However, we expected that the quota cancellation decision will be implemented once the implementation rules become final in the near future.

The Sub-Fund may further use the Shanghai/Shenzhen-Hong Kong Stock Connect scheme in order to invest in China A-Shares as further described in section 14 “Risks associated with the Stock Connect Scheme” in Appendix D.

In addition, investments in China involve specific risks. Accordingly, specific attention is drawn to the risk factors described in section 13 headed “Investments in China” in Appendix D headed Risk “Factors”.

Investments in India

Investments in India involve specific risks. Accordingly, specific attention is drawn to the risk factors described in section 15 headed “Investments in India” in Appendix D headed “Risk Factors”.

Investments in Russia

Investments in Russia involve specific risks. Accordingly, specific attention is drawn to the risk factors described in section 16 headed “Investments in Russia” in Appendix D headed “Risk Factors”.

Investments in Derivatives

The Sub-Fund may utilize derivatives and financial instruments to gain access to local market securities where access to such markets is regulated or limited. The counterparty to such derivatives or financial instruments will be bank or broker dealer counterparties. Further information on the counterparties will be available in the annual report. The terms of the individual derivatives and financial instruments will differ by counterparty and may change from time to time. The Sub-Fund will be required to post initial collateral in respect of each reference asset. Depending on the terms of a particular derivative or financial instrument, the Sub-Fund may also be permitted or required to add (or subtract) collateral from time to time based on changes in the market value of the reference asset. In certain circumstances, including if the Sub-Fund does not have sufficient assets or is unable to provide the requisite amount of collateral, the counterparty may terminate the derivative or financial instrument in whole or in part.

Investment in p-notes involves OTC transactions with third parties. Therefore, if the Sub-Fund invests in p-notes, it will not only be exposed to movements in the value of the underlying equity, but also to the risk of counterparty default. Counterparty default may result in the loss of the full market value of the equity.

EU Benchmark Regulation

MSCI Limited, the administrator of the benchmark, is listed on the ESMA’s register of administrators and benchmarks in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (“EU Benchmark Regulation”). Investors can receive a copy of the Company’s contingency plan as required by the EU Benchmark Regulation at the registered office of the Company. The contingency plan sets out the actions that would be taken in the event that the benchmark materially changes or ceases to be provided.

2.6.3 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager and/or the Investment Sub-Manager make investment decisions having regard to the Sub-Fund’s investment policy and objectives, taking into account Sustainability Risks and Oaktree Group’s broader policies and procedures on responsible investing.

2.6.4 Investment Manager

Oaktree Capital Management, L.P.

2.6.5 Investment Sub-Manager

Oaktree Capital (Hong Kong) Limited

2.6.6 Reference Currency

USD

2.6.7 Cut-Off Time and Payment

Subscriptions

3:00 p.m. Luxembourg time one Business Day before each Valuation Date.

Subscription monies must be paid within two Business Days after the Valuation Date.

Redemptions

3:00 p.m. Luxembourg time one Business Day before each Valuation Date.

Redemption monies must be paid within three Business Days after the Valuation Date.

2.6.8 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed “swing pricing adjustments”. The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.6.9 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest in equities listed in emerging markets. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.

2.6.10 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.60%	-	2%	2%	Daily
E	1.00%	-	-	-	Daily
I	0.80%	2,000,000	-	-	Daily
J	0.90%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily

2.6.11 Additional Restrictions On Subscriptions of Shares

Investors from India

No Shares in the Sub-Fund will be, directly or indirectly, advertised, offered, distributed or sold to persons resident in India and, no subscription applications for Shares in the Sub-Fund will be accepted if the acquisition of the Shares is financed by funds derived from sources within India.

As described under section 4.5.4 headed “Compulsory Redemptions”, the Company is also entitled to compulsorily redeem all or some of any Shares held by a Shareholder in any other circumstances in which the Board determines in its absolute discretion that such compulsory redemption would avoid material legal, regulatory, pecuniary, tax, economic, proprietary, administrative or other disadvantages to the Company, including, without limitation, where such Shares are held by Shareholders who are not entitled to acquire or possess such Shares, or who fail to comply with any obligations associated with the holding of such Shares under any applicable laws or regulations. As a consequence, Shareholders should note that the legal, regulatory or tax requirements applicable to their shareholding in the Sub-Fund may include specific local requirements applicable as per the Indian laws and regulations and that non-compliance with any such requirements may lead to the termination of their investment in the Sub-Fund, the compulsory redemption (in whole or in part) of their Shares in the Sub-Fund, the retention of any redemption proceeds or any other measures taken by the relevant local authorities and impacting the Shareholders’ investment in the Sub-Fund.

Investors from China

No application has been submitted or will be submitted, nor any registration has been or will be sought, by the Management Company or its delegates to or from any of the PRC governmental or regulatory authorities in connection with the advertising, offer, distribution or sale of the Shares in the Sub-Fund in or from the PRC and neither the Management Company nor its delegates intends to and will not, directly or indirectly, advertise, offer, distribute or sell the Shares in the Sub-Fund to persons resident in the PRC in contravention of the laws and regulations of the PRC.

The Shares in the Sub-Fund are not intended to be offered or sold within the PRC or to PRC investors in contravention of the laws and regulations of the PRC. Any PRC investor shall not subscribe for Shares unless it is permitted to do so under all relevant PRC laws, rules, regulations, notices, directives, orders or other regulatory requirements in the PRC issued by any PRC governmental or regulatory authority that are applicable to such investor, the Company or the Investment Manager (whether or not having the force of law) as may be issued and amended from time to time. Where applicable, PRC investors are responsible for obtaining all necessary governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission and/or other relevant regulatory bodies, as applicable, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations. If an investor fails to comply with the above, the Company may take any action in good faith and acting on reasonable grounds in relation to such investor’s Shares to comply with relevant regulatory requirements, including effecting compulsory redemption of Shares held by the relevant investor, subject to the Articles of Incorporation, and applicable laws and regulations.

In addition, in the case of Shares that are linked to A-Shares, the Shares may not be offered, sold or delivered, directly or indirectly, in the PRC to any Domestic Investor as defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited or to any person which is the trustee for a Trust (defined below), or to any person which pays or will pay for the Shares any amounts which involved or will involve moneys financed by or sourced from any Domestic Investor in contravention of the laws and regulations of the PRC.

The term “**Domestic Investor**” is defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited and includes the following:

- (i) PRC citizens (as defined below) who are not permanent residents of another country or region or permanent residents of Hong Kong, Macau or Taiwan; and
- (ii) Legal persons registered in the PRC (as defined below).

“**Legal persons registered in the PRC**” mean entities incorporated or organized in the PRC and exclude foreign entities incorporated or organized in other jurisdictions even though they may have an office (i.e. a branch) in the PRC.

“**PRC citizens**” used in the rules mean persons holding a resident identification card of the PRC and do not include persons who are permanent residents of Hong Kong, Macau or Taiwan.

The term “**Trust**” means a trust the interests in which are majority-owned by, and the management decision over which is controlled by, one or more Domestic Investor(s). For the avoidance of doubt, in the case only where a Trust’s investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this definition by reason only of it being able to control the decision-making in relation to the entity’s financial, investment and/or operating policies.

Persons into whose possession the prospectus or any Shares may come must inform themselves about, and observe, any such restrictions.



2.7 oaktree (lux.) funds – oaktree absolute return income fund

2.7.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to produce positive returns over the long term, regardless of market environment. The Sub-Fund seeks to provide total return through both income and price appreciation of the underlying assets. The reference benchmark for the Sub-Fund's absolute return strategy is the ICE BAML 3-Month U.S. Treasury Bill Index. While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark.

The Sub-Fund employs a research-intensive approach to construct a portfolio of fixed income securities along with other debt securities, including issued by companies or governments and their agencies in emerging markets. The Sub-Fund may invest up to 20% of its NAV in securitized debt including but not limited to asset backed securities (ABS), residential mortgage backed securities (RMBS), commercial mortgage backed securities (CMBS), credit linked notes, collateralized debt obligations (CDOs), collateralized loan obligations (CLOs) and covered bonds.

The Sub-Fund is actively managed, capitalizing on Oaktree's substantial experience investing across a broad range of income-producing asset classes over multiple market cycles. Risk management is core to the investment approach and investments are typically characterized by significant margins of safety and strong downside protections. The Sub-Fund seeks to enhance returns and control risk by actively allocating its investments across asset classes, sectors and issuers.

The Sub-Fund may invest in financial derivative instruments for investment and hedging purposes.

Under normal market conditions, the Sub-Fund will invest at least 80% of its NAV in bonds and other fixed income assets.

2.7.2 Taxonomy Regulation

The Taxonomy Regulation, in summary, is a detailed law setting out technical criteria for which types of economic activity can be regarded as environmentally sustainable and mandates disclosure whether the investments underlying this financial product take into account specific EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Taxonomy Regulation is complex and there remains uncertainty as to how it should be applied in practice.

Nevertheless, the Investment Manager makes investment decisions having regard to the Sub-Fund's investment policy and objectives, taking into account Sustainability Risks and Oaktree Group's broader policies and procedures on responsible investing.

2.7.3 Investment Manager

Oaktree Capital Management, L.P.

2.7.4 Reference Currency

USD

2.7.5 Cut-Off Time and Payment

Subscriptions

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription monies must be paid within two Business Days after the Valuation Date.

Redemptions

3:00 p.m. Luxembourg time on each Valuation Date.

Redemption monies must be paid within three Business Days after the Valuation Date.

2.7.6 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed "Swing pricing adjustments". The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.7.7 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want steady returns whilst looking to limited downside. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.



2.7.8 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
E	0.50%	-			Daily
F ²	0.30%	-	-	-	Daily
I	0.40%	2,000,000	-	-	Daily
J	0.50%		-	-	Daily
R	1.00%		-	-	Daily
Z	n/a	50,000,000			Daily
S	0.30%	200,000,000	-	-	Daily

2.7.9 Global Exposure

The method used to calculate the global exposure is the absolute VaR. With this type of approach, the maximum potential loss that the Sub-Fund could suffer within a certain time horizon and a certain degree of confidence is estimated. The VaR is limited to 20% of the Sub-Fund's NAV.

The expected level of leverage of this Sub-Fund is 200%. The approach adopted to calculate the leverage is the sum of the notionals of the financial derivatives instruments used by the Sub-Fund.

2.8 oaktree (lux.) funds – oaktree global high yield responsible fund

2.8.1 Investment Policy and Investment Objective

The investment objective of the Sub-Fund is to earn an attractive total return through investment in high yield bonds while managing risk and generating positive, measurable impact on the climate.

To achieve this objective, the Sub-Fund will employ a research-intensive long-only strategy, investing in corporate high yield bonds, primarily from issuers organized in North America and Europe. The Investment Manager believes actively promoting, encouraging and incentivizing lower carbon emissions reduction through investment will play a key role in combatting climate change.

The Sub-Fund is actively managed with reference to the benchmark ICE BofA Non-Financial Developed Markets High Yield Constrained Index but additional or replacement index may be used from time to time (see section 2.8.2 and sub-section headed "Reference Benchmark Index" below). While the Sub-Fund has a reference benchmark, it is actively managed by implementing the investment philosophy and process described in this section. The Investment Manager has an ample degree of freedom to deviate from the benchmark.

In order to comply with environmental, social and governance guidelines, the Sub-Fund will not invest directly or indirectly in securities of any one issuer in the following segments (according to the definition of BICS):

- Tobacco (consumer staples sector);
- Energy (with the exception of renewable energy); and
- Aerospace and Defence (industrials sector)

The Sub-Fund will not purchase debt securities or obligations rated Caa1 or below by Moody's and CCC+ or below by S&P, or purchase comparable non-rated debt securities or obligations, if immediately after and as a result of such purchase more than 35% of its NAV would be invested in such debt securities or obligations.

The Sub-Fund may invest up to 10% of its NAV in Distressed Securities. In addition, the Sub-Fund may invest in WBS on an ancillary basis.

The Sub-Fund may use derivatives for hedging purposes.

2.8.2 EU Sustainable Finance Disclosure Regulation

Article 9 of the Disclosure Regulation applies to a UCITS which "has sustainable investment as its objective". Further guidance has been given in respect of this definition in the question and answer document annexed to the Commission Decision of 6 July 2021 (C(2021) 4858).

For these purposes, "**Sustainable Investment**" means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

² When subscriptions totalling EUR 250 million have been received for this Share Class, it will be closed to subscriptions from new and existing investors.

Owing to the Sub-Fund's investment objective (see "Investment Objective" below), the Sub-Fund is classified as falling within the type of financial products identified by Article 9 of the Disclosure Regulation.

The types of fund and investment product set out in the Disclosure Regulation, and the requirements to qualify as an "Article 8" or an "Article 9" product, can be open to subjective interpretation and views on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach. See section 2.8.4 headed Disclosure Regulation risk.

Investment Objective

The Sub-Fund's investment objective is as stated in section 2.8.1 Investment Policy and Investment Objective.

Economic Activity that Contributes to an Environmental Objective

With the exception of non-core investments for certain specific purposes such as hedging and cash management, every investment will fit within at least one of three distinct avenues that have been identified by the Investment Manager as pathways to contributing to the Sub-Fund's sustainable investment objective. Investments will be in issuers:

- characterized by low-carbon intensity; or
- characterized by high-carbon intensity, but with credible decarbonization plans or receptive to the Investment Manager's engagement; or
- providing solutions that enable the mitigation of climate change.

The Sub-Fund's investment objective and policy, as set out in section 2.8.1, are, in the Investment Manager's opinion, consistent with incentivizing decarbonization and promoting a low-carbon economy. However, the Sub-Fund does not currently commit to alignment with the objectives of the Paris Agreement. The Investment Manager will reassess this if, in the future, reliable and accepted means for measuring and verifying Paris alignment are developed for the high yield asset class.

Determination of Carbon Intensity

The relative carbon intensity of an issuer will be determined by the Investment Manager, with reference to its carbon intensity (Scope 1 & 2 carbon emissions per \$1m revenue) or, in the absence of that data, the weighted average carbon intensity ("WACI") of the relevant industry or sub-industry group. An issuer is classified as low or high carbon intensity depending on whether its carbon intensity (or, where necessary, the relevant industry or sub-industry group's WACI) is lower or higher than the WACI of the broad high yield universe (as currently represented by the reference benchmark index, see "Reference Benchmark Index" below). The Investment Manager may rely on one or more third-party data providers to provide carbon intensity figures to assist with this determination.

Engagement

With respect to high carbon intensity issuers, the Investment Manager's engagement goals are:

- to encourage issuers to measure and disclose emissions according to accepted best practice, which the Investment Manager currently views as the Task Force on Climate-Related Disclosures (TCFD) guidelines; and
- to encourage issuers to develop credible decarbonization strategies, ideally verified by the Science Based Target Initiative (SBTi), or another widely recognized leader in the field of climate action.

The engagement will be conducted as part of the Investment Manager's interactions with management teams in connection with its investment and within the context of the Investment Manager's ongoing dialogue with issuers. Issuers without a credible decarbonization plan remain eligible for investment by the Sub-Fund while engagement is ongoing. However, as described above, all high carbon intensity issuers must, ultimately, show efforts towards a credible decarbonization plan or be receptive to the Investment Manager's engagement.

Over time, if the Investment Manager determines a high carbon intensity issuer is insufficiently receptive to engagement and does not adopt a credible decarbonization plan, the Investment Manager will consider appropriate mitigating steps, which may ultimately include divestment by the Sub-Fund.

Reference Benchmark Index

At present, the Investment Manager is not aware of a viable and appropriate global high yield Paris-aligned or Climate Transition benchmark index. Consequently, no Paris-aligned index is designated as a reference index. The ICE BofA Non-Financial Developed Markets High Yield Constrained Index (the "Index") will be used as a reference point in the determination of issuers' relative carbon intensity. It will also be used for financial and carbon intensity performance comparisons with the Sub-Fund. An additional or replacement index may be used for any of those purposes, if determined by the Investment Manager. However, the Investment Manager's investment activities are not restricted by the Index and the Investment Manager is free to deviate from the Index or any other index used.

The Investment Manager has selected the Index because, in its opinion, the Index represents the broad high yield universe. The Index is not aligned with the Sub-Fund's sustainable investment objective and therefore is not designated as a reference benchmark for the purposes of Article 9 of the Disclosure Regulation.

2.8.3 Taxonomy Regulation

All investment decisions made in respect of the Sub-Fund will be taken in accordance with the Sub Fund's investment policy and investment objectives. The Sub-Fund does not commit to making a minimum proportion of investments which qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation. If the Sub-Fund does make an investment that qualifies as "environmentally sustainable" for these purposes, given the nature of the



Sub-Fund's investment policy and investment objectives, it is expected that the relevant investment would be likely to contribute to the following environmental objectives under the Taxonomy Regulation: climate change adaptation / climate change mitigation. The Sub-Fund will periodically disclose to investors a description of how and to what extent investments underlying the Sub-Fund are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation.

ESG Analysis

With the exception of non-core investments for certain specific purposes such as hedging and cash management, each investment made by the Sub-Fund is subject to an Environmental, Social and Governance ("**ESG**") analysis ahead of being included within the portfolio and ongoing ESG monitoring following acquisition. The framework the Investment Manager uses to analyze ESG is described below.

Negative Screen

As stated in section 2.8.1 headed "Investment Policy and Investment Objective", the Sub-Fund will exclude investments in securities of any issuer in the following segments (according to the definition of BICS):

- Tobacco (consumer staples sector);
- Energy (with the exception of renewable energy); and
- Aerospace and Defence (industrials sector)

Issuers that are identified prior to investment as having failed the UN Global Compact Principles are also excluded.

Contributing to an Environmental Objective

The process described above under "Economic Activity that Contributes to an Environmental Objective" has been designed to ensure that every investment is aligned with the Sub-Fund's sustainable investment objective. As stated above, engagement can be used to help align issuers with the Sub-Fund's sustainable investment objective.

ESG Review Process

Prior to investment, the Investment Manager employs an ESG review process. As part of this process, it utilises a combination of detailed in-house analyst research, (if required) direct engagement, and external data from one or more third-party data providers. These data points are used to assess the ESG risks associated with each issuer.

Following investment, issuers are subject to ongoing review, which follows a similar process.

Issuers subject to any of the following will be added to an ESG Watch List (the "**Watch List**"):

- MSCI rating of CCC;
- MSCI controversy score of 0 to 1;
- fail the UN Global Compact Principles subsequent to investment by the Sub-Fund; or
- cause the investment team concern for any other ESG reason.

Issuers on the Watch List are subject to enhanced due diligence and the Investment Manager expects to engage with the issuers regarding the identified ESG shortcoming on an ongoing basis.

The Investment Manager will consider appropriate mitigation steps where issuers on the Watch List do not show sufficient improvement, which may ultimately include divestment by the Sub-Fund.

Where the Investment Manager seeks to influence issuers, the Investment Manager may not be successful.

Do No Significant Harm and Principal Adverse Impacts

In the absence of any specific requirements or guidance relevant to the asset classes in which the Sub-Fund will invest, the Investment Manager believes that the processes described in the ESG Analysis section above are a reasonable proxy for achieving the 'do not significantly harm principle' embedded within the concept of Sustainable Investment in the Disclosure Regulation.

Currently, it is likely that there will be insufficient data available (in both the short- and the medium-term) in relation to potential issuers in which the Sub-Fund could invest to allow the Investment Manager to take into account all the indicators for adverse impacts under the Disclosure Regulation. Even if all such data were available, it may neither be cost effective nor proportionate for all of such data to be collected and analysed. However partial data on the principal adverse impact indicators may, where available, be reflected in certain ESG data used by the Investment Manager in relation to the Sub-Fund (certain rating methodologies currently take into account data relating to, for example, Scope 1 and Scope 2 GHG emissions, GHG intensity and carbon footprint). It should also be noted that at present none of the Management Company, the Investment Manager nor the Investment Sub-Manager considers the adverse impacts of investment decisions on sustainability factors within the meaning of and in the manner prescribed by the Disclosure Regulation. This position will continue to be evaluated as the underlying rules and market practice in this area develops.

Good Governance Practices

The Investment Manager's ESG review process (as described above) considers issuers' governance.

2.8.4 Disclosure Regulation risk

The Disclosure Regulation requires UCITS managers to classify UCITS as falling within Article 6, Article 8 or Article 9 of the Disclosure Regulation. The Disclosure Regulation has a phased introduction with the first high-level principles-based requirements applying from 10 March 2021.

Owing to the Sub-Fund's investment objective, the Sub-Fund is classified as falling within the type of financial products identified by Article 9 of the Disclosure Regulation. The requirements of the Disclosure Regulation, and in particular the boundaries between the different categories of financial products are not free from doubt and may change over time and therefore adjustments to the Sub-Fund's classification may be made owing to the uncertainties in the regime. Additionally, the investment process supporting the Sub-Fund's investment program requires data from third party sources pertaining to ESG matters. Changes to the Disclosure Regulation or the ability of service providers to supply that data may also drive changes to the Sub-Fund's classification. There is therefore a risk that the Sub-Fund's classification under the Disclosure Regulation may change in the light of, for example, the publication of additional statutory or regulatory guidance, changes in industry approach or the availability of appropriate third party data. Should the underlying classification of the Sub-Fund change, this may result in the Sub-Fund producing appropriately modified disclosures.

2.8.5 Taxonomy Regulation risk

The Sub-Fund is expected to be in scope of the Taxonomy Regulation (EU) 2020/852 (the "Taxonomy"). The Taxonomy requires UCITS management companies to disclose information on the environmental objective(s) to which the investment underlying the fund contributes and how and to what extent the investments that underlie the fund are in economic activities that qualify as "environmentally sustainable" under the Taxonomy. Owing to differences in terminologies used as between the Disclosure Regulation and the Taxonomy, it is possible that an investment, which in Oaktree's opinion amount to a Sustainable Investment, does not align with similar definitions of environmental sustainability set out in the Taxonomy.

The regime has a phased introduction, with the first two Taxonomy environmental objectives applying from 1 January 2022, and the subsequent four environmental objectives applying from 1 January 2023. The details of the underlying technical screening criteria are, in some cases, still being settled and may also move over time. Oaktree continues to monitor the application of the Taxonomy, as well as the development of an EU taxonomy for economic activities that qualify as "socially sustainable" and potential future taxonomies (e.g., a brown taxonomy of environmentally harmful activities).

Measuring Taxonomy-alignment is expected to require significant amounts of data not currently available to the Sub-Fund. In many cases, there is a lack of high-quality, reliable, published data against which to undertake Taxonomy-alignment calculations (this is particularly acute, for example, where the nature and/or location of the investments mean that these investments are not currently required to collect, publish or provide such data, either publicly or to the Sub-Fund). Given the nature of investments made by the Sub-Fund, the Sub-Fund may not be able to require the investments it makes to provide it with the relevant data. As a result, it may not be possible to gather and/or measure all data required to perform Taxonomy-alignment calculations and/or it may not be possible to do so systematically, consistently, and at a reasonable cost. Oaktree may also be required to rely on data provided by third party providers, which cannot be verified. Due to the difficulty in accurately calculating the Taxonomy alignment of economic activities, there is a risk that reported Taxonomy alignment will not ultimately reflect the true percentage. Oaktree does not therefore either: (a) commit to make available Taxonomy alignment data; or (b) if it does, commit to any particular minimum level of Taxonomy alignment for the Sub-Fund.

The requirements of the Taxonomy may change over time and adjustments may be made to the Sub-Fund's processes or reporting arrangements in relation to the uncertainties in the regime (for example in response to statutory or regulatory guidance or changes in industry approach).

2.8.6 Investment Manager

Oaktree Capital Management, L.P.

2.8.7 Investment Sub-Manager

Oaktree Capital Management (UK) LLP.

2.8.8 Reference Currency

USD

2.8.9 Cut-Off Time and Payment

3:00 p.m. Luxembourg time on each Valuation Date.

Subscription and redemption monies must be paid within two Business Days after the Valuation Date.

2.8.10 Maximum Swing Factor

The Company may adjust the Net Asset Value of the Shares in accordance with section 4.7 headed "swing pricing adjustments". The maximum Swing Factor will not exceed 2% of the original Net Asset Value per Share.

2.8.11 Profile of Typical Investor

The Sub-Fund may be appropriate for investors who want to invest in high yield bonds issued primarily by North American and European issuers while also wanting to have a positive impact on the climate. It is designed for long-term investors who understand and accept the risks of the Sub-Fund, and are able and prepared to sustain losses.



2.8.12 Share Classes

Class	Global Management Fee	Minimum Holding (in dealing currency)	Max. Subscription Fee	Max. Redemption Fee	Subscriptions, Conversions, Redemptions
R	1.20%	-	2%	2%	Daily
E	0.60%	-	-	-	Daily
I	0.50%	2,000,000	-	-	Daily
J	0.60%	-	-	-	Daily
Z	n/a	50,000,000	-	-	Daily
F ³	0.40%	-	-	-	Daily

3 risk factors

See Appendix D headed “Risk Factors” for a description of the main risks associated with the Company. The Company could be affected by other risks. The risk descriptions are not intended to be exhaustive.

4 investing in the sub-funds

4.1 share classes

The Company is authorised, without limitation, to issue one or more different Share Classes within each Sub-Fund. Shares will be issued in uncertificated, registered form, meaning that the owner’s name is recorded in the Company’s register of shareholders. Share certificates are not issued to shareholders (“Shareholders”). Shares are issued without par value and must be fully paid for on subscription.

Shares will be issued at a price based on the Net Asset Value per Share, as may be adjusted in accordance with section 4.7 headed “swing pricing adjustments” (plus a Subscription Fee, if any).

Shares are freely transferable, except as set out in section 4.7 headed “Transfer of Shares”. Upon issue, Shares are entitled to participate equally in the profits and dividends of the Sub-Funds, as well as in the liquidation proceeds of the Sub-Funds. Shares do not carry any preferential or pre-emptive rights and each Share is entitled to one vote at all general meetings of Shareholders. Shares may be issued with fractional entitlements of up to three decimal places. Fractions of Shares are not entitled to a vote, but are entitled to participate in distribution and liquidation proceeds.

Classes of Shares may be listed on the Luxembourg Stock Exchange as determined by the Company.

Once a subscription, conversion or redemption application has been received by the Transfer Agent, it may not be withdrawn, except during any period in which subscriptions, conversions or redemptions of the relevant Share Class are suspended.

Each Share Class is identified by a basic Share Class designation (E, F, I, J, R or Z). Where appropriate, one or more suffixes (defined in section 4.1.2 headed “Share Class Suffixes” below) may be added to indicate certain characteristics. For example, “*lh* USD” designates I Shares that are hedged and denominated in US dollars.

The table below illustrates how the Share Class designations and suffixes work together to indicate the nature of a Share Class.

Share Class Designation	Hedging Policy Suffix		Share Class Currency Suffix		Distribution Policy Suffix	
E	Unhedged	No Suffix	Share Currency	Relevant three letter currency abbreviation	Growth shares	<i>acc</i>
F						
I	Portfolio Hedged	<i>h</i>	+	e.g. EUR / USD	Distributing Shares	<i>inc</i>
J						
R						
Z						

³ When subscriptions totalling USD 100 million have been received for this Share Class, it will be closed to subscriptions from new and existing investorUSD



4.1.1 Share Class Designations

The Share Class designations are as follows:

E	Retail investors that invest through financial intermediaries which: a. According to regulatory requirements are not allowed to accept and keep trail commissions (in the European Union this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis); b. Are rendering non-independent advice and which according to individual fee arrangements with their clients are not allowed to accept and keep trail commissions; or c. Are providing restricted investment advice within the meaning of the UK Retail Distribution Review (RDR).
F	“Day one” investors until such time as subscriptions totalling the amount specified for the relevant Sub-Fund have been received from investors subscribing to the F Shares (subject to the discretion of the Company to determine otherwise), calculated on a per Sub-Fund basis and not aggregated across F Shares in all Sub-Funds. When subscriptions totalling such specified amount have been received for F Shares, F Shares will be closed to subscriptions from new and existing investors. Acceptance by the Company of subscriptions in F Shares may be conditional upon the execution of a separate agreement between the investor and the Investment Manager or one of its affiliate, at the Company’s discretion.
I	Institutional Investors at the Company’s discretion. Investors must demonstrate that they qualify as Institutional Investors by providing sufficient evidence of their status. Class I shares may not be purchased or held through fee-charging platforms or intermediaries. Should an existing investor’s account become liable to bear a platform or financial intermediation fee, the Company may enforce a conversion into another Share Class in which such investor is entitled to hold Shares, which may have a higher Global Management Fee. Insofar as financial intermediaries and/or nominees hold Shares for the account of their clients, the minimum investment requirement must be met at the level of the client. If one or more redemptions by an Institutional Investor result in it holding less than the minimum investment amount, the Company may enforce a conversion into another Share Class in which such Institutional Investor is entitled to hold Shares, which may have a higher Global Management Fee.
J	Institutional Investors at the Company’s discretion. Investors must demonstrate that they qualify as Institutional Investors by providing sufficient evidence of their status.
R	All investors.
Z	Institutional Investors that have concluded an asset management or other similar agreement, or that invest through a financial intermediary that has signed a cooperation agreement, at the Company’s discretion. Investors must demonstrate that they qualify as Institutional Investors by providing sufficient evidence of their status. No management fee. A management fee will be payable under the relevant asset management, cooperation or other similar agreement. If such agreement is terminated, the Company will enforce a conversion into another Share Class in which such investor is entitled to hold Shares, which may have a higher Global Management Fee.

Not all Share Classes may be available in all Sub-Funds. The current application form identifies the Share Classes that are available in each Sub-Fund.

4.1.2 Share Class Suffixes

The Share Class suffixes are as follows:

acc	Growth shares. There will be no dividends paid in respect of growth Share Classes.
inc	Distributing shares. Distributing shares distribute substantially all income earned by such shares over a distribution period after the deduction of any fees and expenses attributable to such shares.
h	Hedged shares. Hedged shares are issued in one or more alternative currencies at the Board’s discretion. The relevant Sub-Fund will hedge the Sub-Fund’s Reference Currency to the hedged share class currency (without reference to the currency exposures of the Sub-Fund’s portfolio). Hedged Share Classes will bear the specific costs resulting from the currency hedging.

The Share Class currency is indicated by a three letter abbreviation (such as, CHF or EUR).

The Board may, at any time, issue Share Classes as distributing or growth shares or in any additional freely convertible currency.

4.2 dividend policy

The section below summarises the differences between distributing Shares and growth Shares.



4.2.1 Distributing Shares (inc)

Each year the annual general meeting of Shareholders will decide, based on a proposal from the Board, for each distributing Share Class in each Sub-Fund, how such Share Class's net income (if any) will be treated and may from time to time declare dividends. In addition to these distributions, the Board may decide on the payment of interim dividends in the form and under the conditions prescribed by Luxembourg law.

Part or all of the net income, realized and un-realized capital gains and part of the Company's net assets may be distributed, so long as, after such distribution, the Company's net assets total more than EUR 1,250,000.

Any distributions will be effected in cash or, with the consent of the Board and with the consent of the relevant Shareholders, in-kind. A distribution in-kind will be valued in a report established by the Company's auditor, qualifying as a *réviseur d'entreprises agréé*, drawn up in accordance with the requirements of Luxembourg law. The costs of the report will be borne by the relevant Shareholders. To the extent possible, distributions in-kind will be made to the relevant Shareholders by taking into account the fair and equal treatment of the interests of all Shareholders. If the Company makes in-kind payments in whole or in part, the Company will undertake its reasonable efforts, consistent with applicable law and the terms of the in-kind assets being distributed, to distribute such in-kind assets to each Shareholder pro rata to their relevant Shares.

4.2.2 Growth Shares (acc)

The part of the year's net income corresponding to growth Share Classes will be capitalized in the relevant Sub-Fund for the benefit of the growth Share Classes. No dividends will be paid in relation to growth Shares: all interest and other income earned will be accrued daily in the Net Asset Value of the growth Share Classes.

4.2.3 General Information On Dividends

Dividends will be declared in the currency of each Share Class and payments will typically be made in such currency. The exchange rates used to calculate payments will be determined by the Administrator by reference to normal banking rates. Such currency transactions will be effected at the relevant Shareholder's cost. Distributions will be paid in the currency of each Share Class.

Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund or Share Class.

4.3 subscription for shares

4.3.1 Application Process

Initial applications must be made on the application form and submitted to the Transfer Agent. Once an account has been opened, subsequent subscription applications may be made by electronic or other means.

Subscription applications received by the Transfer Agent before the Cut-Off Time for a Business Day on which the relevant Share Class may be dealt (a "Valuation Date") will be processed based on the Net Asset Value per Share of the relevant Share Class such Valuation Date, which is calculated on the next Business Day according to the method described in section 4.8.1 headed "Calculation of Net Asset Value" (plus a Subscription Fee, if any – details of the maximum Subscription Fee payable in respect of each Share Class are set out in section 2 headed "The Sub-Funds"). Subscription applications received after the Cut-Off Time for a Valuation Date will be deemed to have been received before the Cut-Off Time for the next Valuation Date. The Cut-Off Time for each Sub-Fund is set out in section 2 headed "The Sub-Funds".

For subscription applications submitted to a distributor or nominee, earlier subscription deadlines may apply.

Subscription applications may indicate a monetary amount or a number of Shares.

Details of the minimum holdings for each Share Class are set out in section 2 headed "The Sub-Funds". These minimums may be waived or modified in any particular case at the absolute discretion of the Board.

Any taxes, commissions and expenses levied in connection with an application will be charged to the applicant.

4.3.2 Payment Procedure

Cash Payments

The applicant must pay in the currency in which the relevant Shares are denominated, unless otherwise agreed with the Transfer Agent. If the applicant pays in any other currency, the Transfer Agent will have to convert the subscription monies and the applicant will be charged all applicable costs.

Full payment instructions are set out in the application form and may also be obtained from the Transfer Agent. Payment must be effected by bank transfer to the Company's bank accounts.

For subscription applications submitted to a distributor or nominee, different payment methods may apply.

Payment must be received within the time period specified for each Sub-Fund in section 2 headed "The Sub-Funds". If timely payment for the Shares is not received, the Company may cancel the transaction and return the payment, less any investment losses and any incidental expenses incurred in cancelling such Shares (or, where payment is not received, require the applicant to compensate the Company).

In-Kind Contributions

The Board may at its absolute discretion accept or decline payment in whole or in part by an in-kind contribution of securities in lieu of cash. An in-kind contribution will be subject to a special report of the Company's auditors. The fees and charges relating to an in-kind contribution will be borne by the contributing applicant (valuation of the securities, brokerage fees, local tax charges, compulsory audit report, etc.).

An applicant that wishes to make an in-kind contribution should contact the Company for further information.

4.3.3 Contract Notes

A contract note will be sent to the applicant as soon as reasonably practicable after the relevant Valuation Date, providing full details of the transaction. It is recommended that Shareholders check their contract notes to ensure that their transactions have been accurately recorded.

Each incoming Shareholder will be given a personal account number on acceptance of their initial subscription, and this, together with the Shareholder's personal details, are proof of their identity to the Company. The account number should be used by the Shareholder for all future dealings with the Company and/or the Transfer Agent.

Any changes to a Shareholder's personal details or loss of account number must be notified immediately to the Transfer Agent. Failure to do so may result in the delay of an application for subscription, conversion or redemption. The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

4.3.4 Rejection of Subscriptions

The Board (or the Transfer Agent acting on behalf of the Company) may, without liability or notice, reject any application in whole or in part and/or discontinue or suspend the issue and sale of any Shares.

In particular, they may prohibit or limit the sale of Shares to Prohibited Persons.

If an application is not accepted in whole or in part, the subscription monies (or the balance outstanding, less any customary charges applied by the Transfer Agent) will, subject to applicable laws, be returned without delay by bank transfer at the applicant's risk without interest.

4.3.5 Suspension and Postponement of Subscriptions

No Shares will be issued by the Company during any period in which the calculation of the Net Asset Value of the relevant Share Class is suspended by the Company pursuant to the powers contained in the Articles of Incorporation and as set out in section 4.8.2 headed "Temporary Suspension of Net Asset Value".

Notice of suspension will be given to applicants, and subscription applications made or pending during a suspension period may be withdrawn by notice in writing received by the Transfer Agent prior to the end of the suspension period. Applications not withdrawn will be processed on the first Valuation Date following the end of the suspension period, on the basis of the Net Asset Value per Share calculated on such Valuation Date.

In addition, if the Company determines that it would be detrimental to the existing Shareholders to accept a subscription application that exceeds a certain level determined by the Company, the Company may postpone the acceptance of such subscription application and, in consultation with the incoming Shareholder, may require such incoming Shareholder to stagger their proposed subscription over an agreed period of time.

4.4 conversion of shares

Unless otherwise specified, Shareholders in a particular Share Class may, at any time, convert all or a portion of their Shares into Shares of any other Sub-Fund or Share Class, provided that such Shareholder meets the eligibility criteria for the Share Class into which they are requesting to convert.

Conversion applications received by the Transfer Agent before the Cut-Off Time for a Valuation Date (i.e. the trade date) will be processed based on the Net Asset Value per Share of each of the relevant Share Classes for such Valuation Date, which is calculated on the next Business Day according to the method described in section 4.8.1 headed "Calculation of Net Asset Value", as may be adjusted in accordance with section 4.7 headed "swing pricing adjustments". Conversion applications received after the Cut-Off Time for a Valuation Date will be deemed to have been received before the Cut-Off Time for the next Valuation Date.

The Cut-Off Time for each Sub-Fund is set out in section 2 headed "The Sub-Funds".

For conversion applications submitted to a distributor or nominee, earlier conversion deadlines may apply.

The Company will not charge a conversion fee.

If as a result of any conversion application, the Shares held by a Shareholder in any Share Class would fall below the minimum holding for such Share Class, the Company may treat such conversion application as a conversion application for the full balance of such Shareholder's holding of Shares in such Share Class.

Where Shares denominated in one currency are converted into Shares denominated in another currency, any foreign exchange and conversion fees or other related costs will be taken into consideration and deducted.

The new Shares may be issued with fractional entitlements of up to three decimal places, with the Company entitled to receive any adjustment.

A contract note will be sent to the applicant as soon as reasonably practicable after the Business Day on which the conversion is processed, providing full details of the transaction. It is recommended that Shareholders check their contract notes to ensure that their transactions have been accurately recorded.

No conversions will be processed by the Transfer Agent during any period in which the calculation of the Net Asset Value of either relevant Share Class is suspended by the Company pursuant to the powers contained in the Articles of Incorporation and as set out in section 4.8.2 headed "Temporary Suspension of Net Asset Value".

Notice of suspension will be given to applicants, and conversion applications made or pending during a suspension period may be withdrawn by notice in writing received by the Transfer Agent prior to the end of the suspension period. Applications not withdrawn will be processed on the first Valuation Date following the end of the suspension period, on the basis of the Net Asset Value per Share calculated on such Valuation Date.

4.5 redemption of shares

4.5.1 Application Process

Shares may be redeemed on any Valuation Date, subject to the limitations set out below.

Shareholders wishing to have all or some of their Shares redeemed by the Company may apply to the Transfer Agent. Redemption applications received by the Transfer Agent before the Cut-Off Time for a Valuation Date will be processed based on the Net Asset Value per Share of the relevant Share Class for such Valuation Date, which is calculated on the next Valuation Date according to the method described in section 4.8.1 headed "Calculation of Net Asset Value", as may be adjusted in accordance with section 4.7 headed "swing pricing adjustments" (less a Redemption Fee, if any – details of the Redemption Fee payable in respect of each Share Class are set out in section 2 headed "The Sub-Funds" – and any taxes, commissions and other fees incurred in the countries in which the Shares are redeemed). Applications received by the Transfer Agent after the Cut-Off Time for a Valuation Date will be deemed to have been received before the Cut-Off Time for the next Valuation Date. The Cut-Off Time for each Sub-Fund is set out in section 2 headed "The Sub-Funds".

For redemption applications submitted to a distributor or nominee, earlier redemption deadlines may apply.

Redemption applications may indicate a monetary amount or a number of Shares, and must include the Shareholder's personal details and account number. In addition, applications must be signed by all registered Shareholders, unless in the case of joint registered Shareholders, a holder has sole



signing authority and an acceptable power of attorney has been provided to the Transfer Agent. Failure to meet any of these requirements may result in a delay to the redemption while verification is sought from the Shareholder.

If as a result of any redemption application, the Shares held by a Shareholder in any Share Class would fall below the minimum holding for such Share Class, the Company may treat such redemption application as a redemption application for the full balance of such Shareholder's holding of Shares in such Share Class.

Redeemed Shares will be cancelled by the Company.

4.5.2 Payment Procedure

Cash Payments

The Company will pay in the currency in which the relevant Shares are denominated. If necessary, the Transfer Agent will convert the redemption monies. All applicable costs will be paid out of (and reduce) such monies.

Payment must be made within the time period specified for each Sub-Fund in section 2 headed “The Sub-Fund”, unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Transfer Agent, make it impossible or impracticable to transfer the redemption amount to the country in which the redemption was requested.

The redemption monies may be higher or lower than the initial subscription amount paid by the Shareholder, depending on the Net Asset Value per Share of the relevant Share Class at the time of redemption.

The redemption monies will be rounded down to the nearest cent (0.01,-), with the Company entitled to receive any adjustment.

In-Kind Distributions

The Board may at its absolute discretion ask a redeeming Shareholder to accept payment in whole or in part by an in-kind distribution of assets in lieu of cash. The nature and type of assets to be transferred will be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the relevant Sub-Fund. Any such in-kind redemption will be valued and a valuation report will be obtained from the Company's auditors. The costs of such report will be borne by the redeeming Shareholder, unless such in-kind payments are in the interests of all the Shareholders, in which case such costs will be borne by the relevant Sub-Fund.

Redemption Fees

Any Redemption Fee that is applied is not included in the calculation of the Net Asset Value per Share of the relevant Share Class, instead (a) in the case of redemption applications indicating the number of Shares the Shareholder wishes to redeem, it will reduce the redemption monies or (b) in the case of redemption applications specifying the monetary amount the Shareholder wishes to redeem, more Shares will be redeemed. The Board may, in its absolute discretion, waive the Redemption Fee in whole or in part.

4.5.3 Contract Notes

A contract note will be sent to the Shareholder as soon as reasonably practicable after the relevant Valuation Date, providing full details of the transaction. It is recommended that Shareholders check their contract notes to ensure that their transactions have been accurately recorded.

4.5.4 Compulsory Redemptions

If the Company discovers at any time that Shares are owned by a Shareholder in breach of the eligibility criteria, the Directors may at their discretion and without liability, compulsorily redeem such Shares. The Company may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such Shareholder meets the eligibility criteria.

The Company is also entitled to compulsorily redeem all or some of any Shares held by a Shareholder in any other circumstances in which the Board determines in its absolute discretion that such compulsory redemption would avoid material legal, regulatory, pecuniary, tax, economic, proprietary, administrative or other disadvantages to the Company, including, without limitation, where such Shares are held by Shareholders who are not entitled to acquire or possess such Shares or who fail to comply with any obligations associated with the holding of such Shares under any applicable laws or regulations. Without limitation to the foregoing, the Company is entitled to compulsorily redeem all or a portion of any Shares held by a Shareholder if (a) the Board determines that the continued participation of such Shareholder may cause the Company to cease to comply with any applicable “foreign financial institution” or intergovernmental agreement related to FATCA or CRS or may otherwise cause the Company or the other Shareholders to be subject to withholding under FATCA, (b) such Shareholder fails to provide any information requested by the Company for the purpose of FATCA or CRS compliance or (c) to the extent necessary to ensure that the cost of any withholding required with respect to or as a result of such Shareholder under FATCA is borne solely by such Shareholder.

Any compulsory redemption of Shares will be effected in accordance with the procedure described above (less such amounts attributable to any withholding required with respect to such Shareholder under FATCA or any other tax laws). Immediately after giving notice to the Shareholder of such compulsory redemption, the Shareholder will cease to be the owner of such Shares.

4.5.5 Suspension and Postponement of Redemptions

No Shares will be redeemed by the Company during any period in which the calculation of the Net Asset Value of the relevant Share Class is suspended by the Company pursuant to the powers contained in the Articles of Incorporation and as set out in section 4.8.2 headed “Temporary Suspension of Net Asset Value”.

Notice of suspension will be given to applicants, and redemption applications made or pending during a suspension period may be withdrawn by notice in writing received by the Transfer Agent prior to the end of the suspension period. Applications not withdrawn will be processed on the first Business Day following the end of the suspension period, on the basis of the Net Asset Value per Share calculated on such Business Day.

In addition, under special circumstances, including, without limitation, the inability to liquidate positions at acceptable price levels as of a redemption date or default or delay in payments due to the relevant Sub-Fund from brokers, banks or other persons or entities, the Company in turn may delay payment of redemption monies to the extent dependent on the liquidation of such positions or such payments.



4.6 procedures for redemptions and conversions representing 10% or more of a sub-fund

If any redemption or conversion application is received by the Transfer Agent in respect of any one Business Day, which either individually or when aggregated with other such applications received on such Business Day, represents more than 10% of the Net Asset Value of the relevant Sub-Fund, the Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Directors that to do so is in the best interests of the remaining Shareholders), to scale down each request, on a pro rata basis, with respect to such Business Day so that not more than 10% of the Net Asset Value of the relevant Sub-Fund may be redeemed or converted on such Business Day.

To the extent that any redemption or conversion application is not given full effect on such Business Day because the Company has exercised its power to pro-rate applications, the unsatisfied balance of such application will be treated as if a further application had been made by the relevant Shareholder on the next Business Day and, if necessary, on subsequent Business Days, until such application has been satisfied in full (and will be dealt with in priority to any applications received on any such subsequent Business Days).

4.7 swing pricing adjustments

The actual price obtained by a Sub-Fund when purchasing or selling assets may be higher or lower than the mid-price used in calculating the Net Asset Value of the Sub-Fund. As a result, the Net Asset Value per Share of a Sub-Fund may be diluted as a result of subscriptions for or redemptions of Shares in the Sub-Fund at a price that does not reflect the actual price obtained in the underlying asset transactions undertaken on behalf of the Sub-Fund to accommodate the resulting inflows or outflows. This dilution can have a materially adverse effect on Shareholders. In order to mitigate the effects of this dilution, the Company may adjust the Net Asset Value per Share upwards or downwards by a percentage estimated to reflect the actual prices and costs of the underlying transactions (known as the “Swing Factor”) if the net aggregate transactions in Shares in the Sub-Fund on any particular Valuation Date exceed a threshold (known as the “swing threshold”) that is pre-determined for the Sub-Fund by the Board and reviewed periodically. The Board may decide at any time to increase the Swing Factor beyond the maximum level disclosed for each Sub-Fund in the relevant section in the event of exceptional market conditions or large cash flows requests. This decision will be duly justified, take into account the best interest of Shareholders and be notified to the Shareholders through the usual communication channels. The Net Asset Value will be adjusted upwards if there are net inflows on any particular Valuation Date in excess of the Swing Factor, and downwards if there are net outflows in excess of the Swing Factor. Any adjustment is not intended to address the specific circumstances of any individual or set of redemptions or subscriptions, and may vary from Sub-Fund to Sub-Fund and from time to time.

The Net Asset Value will be adjusted by an amount which reflects (i) estimated fiscal charges, (ii) estimated dealing costs and (iii) estimated bid/offer spread of the underlying assets. The adjustment may be different for net inflows and net outflows to take account of peculiarities of particular markets and particular countries.

The list of Sub-Funds concerned by swing pricing, and the percentage of the Swing Factor, if any, is available upon request from the Company.

4.8 transfer of shares

Unless otherwise specified, Shares are freely transferable, provided that Shares may only be transferred to a person who meets the eligibility criteria for such Shares. (For example, the proposed transferee must not be a Prohibited Person and Class I Shares and Class I2 Shares may only be transferred to Institutional Investors).

The transfer of Shares may normally be effected by delivery to the Transfer Agent of an instrument of transfer in an appropriate form. A proposed transferee will be required to complete a transfer form if such proposed transferee is a new investor in the Company. Shareholders are recommended to contact the Transfer Agent prior to requesting a transfer to ensure that they have all the correct documentation for the transaction(s).

4.9 net asset value

4.9.1 Calculation of Net Asset Value

Unless otherwise specified in section 2 headed “The Sub-Funds”, the Net Asset Value per Share of each Share Class in each Sub-Fund will be calculated in the currency of such Share Class on each Business Day.

If after the calculation of the Net Asset Value, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to a Sub-Fund are dealt or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and arrange for a second valuation, for all Share Classes concerned, prudently and in good faith.

The Net Asset Value per Share of each Share Class on any Business Day is calculated by dividing the value of the net assets of the relevant Sub-Fund (i.e. the difference between the asset values and liabilities) properly allocable to such Share Class by the total number of Shares of such Share Class in issue on such Business Day.

The subscription and the redemption prices of each Share Class, as the case may be, will differ within each Sub-Fund as a result of the differing fee structure, currency and/or distribution policy for each Share Class, as may be adjusted in accordance with section 4.7 headed “swing pricing adjustments”. In calculating the Net Asset Value per Share, income and expenditure are treated as accruing daily.

The valuation of the Net Asset Value per Share will be made in the following manner:

The assets of the Company will be deemed to include:

- a. All cash on hand or on deposit, including any interest accrued thereon;
- b. All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- c. All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets all owned or contracted for by the Company (provided that the company may make adjustments in a manner not inconsistent with paragraph (i) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);



- d. All stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company;
- e. All interest accrued on any interest bearing assets owned by the Company except to the extent that the same is included or reflected in the principal amount of such asset;
- f. The preliminary expenses of the Company, including the cost of issuing and distributing Shares, insofar as the same have not been written off;
- g. The liquidating value of all forward contracts and all call or put options the Company has an open position in; and
- h. All other assets of any kind and nature including expenses paid in advance.

The value of such assets will be calculated as follows:

- a. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b. Securities listed on a recognized stock exchange or dealt on any other regulated market will be valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant security;
- c. In the event that the latest available price does not, in the opinion of the Company, truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith;
- d. Securities not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the basis of the probable sales proceeds determined prudently and in good faith by the Company or the Management Company, as the case may be; and the liquidating value of futures, forward or options contracts not traded on exchanges or on other regulated markets will mean their net liquidating value determined, pursuant to the policies established by the Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other regulated markets will be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures, forward or options contracts are traded by the company, provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract will be such value as the Company may deem fair and reasonable. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Company;
- e. The Net Asset Value per Share may be calculated by using an amortized cost method for all investments with a known short-term maturity date (i.e. maturity of less than three months). This involves valuing an investment at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortization cost, is higher or lower than the price the relevant Sub-Fund would receive if it sold the investment. The Company will continually assess this method of valuation and recommend changes, where necessary, to ensure that the Sub-Fund's investments will be valued at their fair value as determined in good faith by the Company. If the Company believes that a deviation from the amortized cost per Share may result in material dilution or other unfair results to Shareholders, the Company will take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;
- f. The Sub-Funds will, in principle, keep in their portfolio the investments determined by the amortization cost method until their respective maturity date;
- g. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement will be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Company; and
- h. shares or units of UCIs are valued on the basis of their latest available net asset value.

Any assets held in a particular Sub-Fund not expressed in the Sub-Fund's Reference Currency will be translated into such Reference Currency at the rate of exchange prevailing in a recognized market at 5:00 p.m. Luxembourg time on the relevant Business Day.

The liabilities of the Company will be deemed to include:

- a. All loans, bills and accounts payable;
- b. All accrued interest on loans of the Company (including accrued fees for commitment for such loans);
- c. All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- d. An appropriate provision for future taxes based on capital and income to the relevant business day, as may be determined from time to time, and other authorized and approved reserves, if any; and
- e. All other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares in the Company. In determining the amount of such liabilities, the Company will take into account all expenses payable and all costs incurred by the Company, which will comprise the Global Management Fee and the Other Fees (as such terms are defined in section 6.7 headed "Fees and Expenses"). The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

The net assets of the Company are at any time equal to the total of the net assets of the Sub-Funds.

4.9.2 Temporary Suspension of Net Asset Value

The Board may suspend the determination of the Net Asset Value per Share of one or more Sub-Funds and the issue, conversion or redemption of Shares in any Share Class in the following circumstances:

- a. During any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Company attributable to the relevant Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to the Sub-Fund quoted thereon;
- b. During the existence of any state of affairs which constitutes an emergency in the opinion of the Company as a result of which disposal or valuation of assets owned by the Company attributable to the relevant Sub-Fund would be impracticable;
- c. During any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the relevant Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to the Sub-Fund;



- d. During any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of the relevant Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- e. When for any other reason the prices of any investments owned by the Company attributable to the relevant Sub-Fund cannot promptly or accurately be ascertained;
- f. Upon the publication of a notice convening a general meeting of Shareholders for the purpose of winding-up the Company;
- g. In all other cases as provided for in the UCI Law; or
- h. With respect to a feeder Sub-Fund, when its master UCITS temporarily suspends, on its own initiative or at the request of its competent authorities, the redemption, the reimbursement or the subscription of its units; in such a case the suspension of the calculation of the Net Asset Value at the level of the feeder Sub-Fund will be for a duration identical to the duration of the suspension of the calculation of the Net Asset Value at the level of the master UCITS.

The suspension of the determination of the Net Asset Value per Share of a Sub-Fund will have no effect on the determination of the Net Asset Value per Share or on the issue, redemption and conversion of Shares of any other Sub-Fund that is not suspended.

Once a subscription, conversion or redemption application has been received by the Transfer Agent, it may not be withdrawn, except during any period in which the determination of the Net Asset Value of the relevant Share Class is suspended.

Notice of the beginning and end of any suspension period will be published in a Luxembourg daily newspaper, in any other newspapers selected by the Company, and in the official publications specified for the respective countries in which Shares are marketed. The CSSF, and the relevant authorities of Member States of the EU in which Shares are marketed, will be informed of any suspension. Notice will also be given to any person who submitted a subscription, conversion or redemption application in respect of Shares in the relevant Sub-Fund.

4.9.3 Publication of Net Asset Value

The Net Asset Value per Share of each Share Class is made public at the registered office of the Company. The Company may also arrange for this information to be published on: <https://www.oaktreesicav.com>

The Company does not accept any responsibility for any error or delay in publication or for non-publication.

4.10 late trading

The price of Shares is determined on a forward basis, meaning that it is not possible to know in advance the price at which Shares will be subscribed, redeemed or converted. Subscription, conversion and redemption applications must be received and will be accepted only in line with the deadlines set out in this prospectus or in compliance with CSSF Circular 04/146.

4.11 market timing

The Sub-Funds are not designed for short-term investors. Activities which may adversely affect the interests of Shareholders (for example, that disrupt investment strategies or drive up expenses), such as market timing or the use of the Company as an excessive or short-term trading vehicle, are not permitted.

While recognizing that Shareholders may have legitimate needs to adjust their investments from time to time, the Company in its sole discretion may, if it deems that such activities adversely affect the interests of the Shareholders, take action as appropriate to deter such activities.

Accordingly, if the Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders.

4.12 money laundering and terrorist financing prevention

Each new Shareholder must provide information on their identity and the one of their beneficial owners, including at least the following along with their completed application form:

- a. In the case of natural persons, a copy of such person's passport or identification card; and
- b. In the case of legal entities, a copy of the such entity's articles of incorporation and, where applicable, an extract of the commercial register.

Note that any copy must be certified to be a true copy of the original by an independent authority, such as an ambassador, consul, notary or police officer.

The Transfer Agent may require additional documentation.

Failure to provide proper documentation may result in the delay of account opening and the subscription or the rejection of the application, in either case, without any liability for the Company or any other party.

Any information provided in this context is collected for anti-money laundering compliance purposes only.

4.13 taxes

The following is a short summary of certain important taxation principles. It does not purport to be a complete summary of tax law and practice currently applicable in the Grand Duchy of Luxembourg, nor does it address the taxation of the Company or any Sub-Fund (or the taxation of an investment therein) in any other jurisdiction. Moreover, it is based on laws, regulations and practice currently applicable in the Grand Duchy of Luxembourg at the date of this prospectus and is subject to changes therein, possibly with retroactive effect.

Prospective Shareholders are advised to consult their own professional tax advisers.

4.13.1 Taxation of the Company

Subscription Tax

The Company is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) as follows:

- Classes B and E Shares (retail) – 0.05% per annum
- Classes I and I2 Shares (institutional) – 0.01% per annum

The tax is calculated and payable quarterly on the basis of the Net Asset Value of the relevant Share Class at the end of the relevant quarter. The standard rate is 0.05% per annum but this rate is reduced to 0.01% for, among other things, a Share Class that is reserved to one or more Institutional Investors only. Note that a Share Class reserved for Institutional Investors may be subject to the higher rate of 0.05% per annum during any period during which a retail investor holds Shares in such Share Class in breach of the eligibility criteria.

Other Taxes

Under present Luxembourg law and administrative practice, neither the Company nor any of the Sub-Funds is liable for any Luxembourg corporate income tax, municipal business tax, and net worth tax.

Dividends and interest, if any, received by the Company or any Sub-Fund from investments may be subject to taxes and/or withholding taxes in the countries concerned at varying rates, such (withholding) taxes usually not being recoverable. That Company and the Sub-Funds may be liable to certain other foreign taxes.

The Company is subject to a flat registration duty of EUR 75 to be paid upon incorporation and upon any future amendment of the Articles of Incorporation.

No other tax is payable in Luxembourg on the issue of Shares by the Company.

4.13.2 Taxation of Shareholders

Under present Luxembourg law and administrative practice, the Shareholders are not liable to any taxation in Luxembourg in relation to the holding, sale, redemption or assignment of the Shares, except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg.

4.13.3 Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “Standard”) and the Common Reporting Standard (the “CRS”) as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “CRS-Law”).

Under the terms of the CRS-Law, the Company is to be treated as a Luxembourg Reporting Financial Institution. As such and without prejudice to other applicable data protection provisions, the Company is required annually to report to the Luxembourg tax authority personal and financial information related, among other things, to the identification of, holdings by and payments made to (a) Reportable Persons and (b) Controlling Persons (as defined below) of certain Non Financial Entities which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS-Law (the “Information”), will include personal data related to the Reportable Persons.

The Company’s ability to satisfy its reporting obligations under the CRS-Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence.

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

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS-Law will be disclosed to the Luxembourg tax authority annually for the purposes set out in the CRS-Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authority.

Similarly, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the Company’s Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such Shareholder’s failure to provide the Information.

5 management and administration

5.1 the company

Name:	Oaktree (Lux.) Funds
Registered Office:	49 Avenue J.F. Kennedy L-1855 Luxembourg
Legal Form of Entity:	Luxembourg <i>société d’investissement à capital variable</i>
Incorporated:	6 November 2012
Duration:	Indefinite



Legal Jurisdiction:	Grand Duchy of Luxembourg	
Regulatory Authority:	Commission de Surveillance du Secteur Financier 283, route d'Arlon L-1150 Luxembourg	
Registration Number:	B 172.546	
Financial Year:	1 October – 30 September	
Minimum Share Capital:	EUR 1,250,000	
Board of Directors:	<i>Andrew John Murray</i>	<i>Nicolas Puissant</i>
	Senior Vice President, Client Relation	Product and Delegates Oversight Manager
	Oaktree Capital Management (UK) LLP	Oaktree Capital Management (Lux.) S.à r.l.
	<i>Peter Preisler</i>	<i>Christopher Edge</i>
	Managing Director, Marketing	External Adviser
	Oaktree Capital Management (UK) LLP	Independent Director and Independent Adviser to Asset Management Sector

The Fund is registered in Luxembourg as an undertaking for collective investment in transferable securities pursuant to Part I of the UCI Law. The Company is a single legal entity and is structured as an umbrella fund offering a range of Sub-Funds. The Board may, pursuant to the Articles of Incorporation, at any time establish different pools of assets, each constituting a Sub-Fund. There is no cross liability between Sub-Funds and each Sub-Fund will be exclusively responsible for all obligations and liabilities attributable to it. The Board will maintain for each Sub-Fund a separate pool of assets. Each Sub-Fund may have similar or different investment strategies and other specific features (including, without limitation, specific fee structures and distribution policies) as the Board will determine in its sole discretion.

The Articles of Incorporation have been deposited with the Luxembourg Register for Trade and Companies and have been published in the Recueil des Sociétés et Associations (the “RESA”). The Articles of Incorporation have been amended for the last time on 15 June 2020 and have been published in the RESA on 2 July 2020. The Articles of Incorporation may further be amended from time to time by an extraordinary general meeting of Shareholders, subject to the quorum and majority requirements prescribed under Luxembourg law. Any amendment to the Articles of Incorporation will be published in the RESA, and, if necessary, in the official publications specified for the respective countries in which the Shares are sold. Such amendments become legally binding on all Shareholders, following their approval by Shareholders.

The Directors of the Company, whose names are set out above, are responsible for the Company’s management, control, administration and the determination of its overall investment objectives and policies. Each of the Directors is also appointed to serve as a director on the board of one or more other collective investment schemes or management companies managed or operated by Oaktree and its affiliates.

5.2 management company

Name:	FundRock Management Company S.A.	
Registered Office:	33, rue de Gasperich L-5826 Hesperange Grand Duchy of Luxembourg	
Legal Form of Entity:	Luxembourg <i>société anonyme</i>	
Incorporated:	10 November 2004	
Legal Jurisdiction:	Grand Duchy of Luxembourg	
Regulatory Authority:	Commission de Surveillance du Secteur Financier 283, route d'Arlon L-1150 Luxembourg	
Registration Number:	B104196	
Authorised and Issued Share Capital:	EUR 10,000,000	
Board of Directors:	<i>Michel Marcel Vareika</i>	<i>Romain Denis</i>
	Independent Non-Executive Director	Executive Director – Managing Director

FundRock Management Company S.A., Hesperange

FundRock Management Company S.A., Hesperange

Xavier Parain

Executive Director

Head of FundRock Management Company S.A.,
Hesperange

Thibault Gregoire

Executive Director – Chief Financial Officer

FundRock Management Company S.A., Hesperange

Conducting Officers:
Mr Xavier Parain, Executive Director – CEO
Mr Romain Denis, Executive Director – Managing Director
Mr Emmanuel Nantas, Director – Compliance
Mr Franck Caramelle, Director – Alternatives Investments
Mr Khalil Haddad - Head of Valuation

The Management Company has responsibility for portfolio management services, administrative services and distribution services. The activities of the Management Company are supervised and coordinated by its conducting officers. The Management Company is subject to Chapter 15 of the UCI Law.

As at the date of this prospectus, the Management Company has delegated the duties of portfolio management, central administration (including the registrar and transfer agent duties) and distribution and marketing to certain service providers, further details of which have been set out below.

The Management Company will monitor, on a continued basis, the activities of the third parties to which it has delegated functions. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give further instructions to such third parties, and that it can withdraw their mandates with immediate effect if this is in the interest of the Shareholders at any time. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company will also:

- Ensure compliance by the Sub-Funds with the investment restrictions and oversee the implementation of the Sub-Funds' strategies and investment policies; and
- Send reports to the Board on a periodic basis and inform each Director of the Company without delay of any breach to the investment restrictions by any Sub-Fund.

The Management Company acts as management company for other investment funds. The names of these other funds are available upon request at the registered office of the Management Company.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under the UCITS Directive and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the investors in such UCITS, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers under the UCITS Directive are not remunerated based on the performance of the UCITS under management.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles:

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);
- Identification of the functions performed within the Management Company which may impact the performance of the entities under management;
- Calculation of remuneration and benefits based on the combination of individual and the Management Company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- Deferral of variable remuneration over 3-year periods; and
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is available at <https://www.fundrock.com/remuneration-policy/> and a paper copy will be made available free of charge upon request at the Management Company's registered office.

5.3 investment managers and investment sub-managers

Oaktree Capital Management, L.P.
333 South Grand Avenue, 28th Floor
Los Angeles, California 90071
United States of America

Oaktree Capital Management (UK) LLP
Verde, 10 Bressenden Place
London SW1E 5DH
United Kingdom

Oaktree Capital (Hong Kong) Limited
Suite 2001, 20/F, Champion Tower
3 Garden Road
Central, Hong Kong

The Management Company has expressly delegated to the Investment Managers the discretion to purchase and sell assets on behalf of the Sub-Funds and otherwise to manage the portfolios of the Sub-Funds.

Each Investment Manager is responsible for the placement of the relevant Sub-Fund's portfolio transactions and the negotiation of prices and commissions, if any, with respect to such transactions. Further information on how each Investment Manager seeks to obtain best execution in relation to such transactions is set out in section 6.9 headed "Best Execution".

An Investment Manager may, subject to the terms of the investment management agreement under which it is appointed and the approval of the CSSF, appoint for each Sub-Fund one or more Investment Sub-Managers. The Investment Managers have appointed Oaktree Capital Management (UK) LLP and Oaktree Capital (Hong Kong) Limited as Investment Sub-Managers of certain Sub-Funds as set out in section 2 headed "The Sub-Funds".

Oaktree Capital Management, L.P. ("Oaktree") is a leading global investment management firm headquartered in Los Angeles, California, focused on less efficient markets and alternative investments. A number of Oaktree's senior executives and investment professionals have been investing together for over 34 years. As of 30 September 2019, Oaktree (together with its affiliates) managed \$121.9 billion (including \$29.4 billion attributable to Oaktree's 20% minority interest in DoubleLine Capital LP⁴) in assets in a wide range of investment strategies, including distressed debt, corporate debt (including mezzanine finance, high yield bonds and senior loans), control investing (including power related opportunities), convertible securities, real estate, and listed equities. Oaktree is registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.

Oaktree Capital Management (UK) LLP is an affiliate of Oaktree. It was incorporated as a limited liability partnership under the laws of England and Wales on 15 April 2011 and is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Oaktree Capital (Hong Kong) Limited is an affiliate of Oaktree. It was incorporated as a limited partnership under the laws of Hong Kong on 4 August 2005 and is licensed with the Hong Kong Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

5.4 depositary

State Street Bank International GmbH, Luxembourg Branch

49 Avenue J.F. Kennedy

L-1855 Luxembourg

The Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch as its depositary within the meaning of the UCI Law pursuant to the depositary agreement between the Company and the Depositary (the "Depositary Agreement"). State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (the "ECB"), the German Federal Financial Services Supervisory Authority (the "BaFin") and the German Central Bank. State Street Bank International GmbH, Luxembourg Branch is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register under number B 148 186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company.

5.4.1 Depositary's Functions

The relationship between the Company and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the management regulations/articles of incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles of Incorporation.
- carrying out the instructions of the Company unless they conflict with applicable law and the Articles of Incorporation.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the UCITS is applied in accordance with applicable law and the Articles of Incorporation.
- monitoring of the Company's cash and cash flows
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

5.4.2 Depositary's Liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

⁴ References to "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount (\$29.4 billion) of the AUM reported by DoubleLine Capital LP ("DoubleLine"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value (NAV) of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("CLOs"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies ("BDCs"), gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine. Oaktree's definition of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to regulatory definitions.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligence, fraud or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive and the UCI Law.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

5.4.3 Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts 02111, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Company or at the following internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

5.4.4 Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- iv) may provide the same or similar services to other clients including competitors of the Company;
- v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

- i) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
- iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.



5.5 administrator, paying agent and registrar and transfer agent

State Street Bank International GmbH, Luxembourg Branch

49 Avenue J.F. Kennedy

L-1855 Luxembourg

With the consent of the Company, the Management Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch as administrative, registrar and transfer agent and paying agent of the Company pursuant to the administration agreement among the Company, the Administrator and the Management Company (the “Administration Agreement”).

The relationship between the Company, the Management Company and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Company required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Company, as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of Shareholders. In addition, as Transfer Agent, State Street Bank International GmbH, acting through its Luxembourg Branch is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

The Administrator is not responsible for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the Administration Agreement on not less than ninety (90) calendar days’ prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the Administration Agreement. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company and the Company will not be affected by any delegation of functions by the Administrator.

5.6 global distributor

Oaktree Capital Management (UK) LLP

Verde, 10 Bressenden Place

London SW1E 5DH

United Kingdom

The Management Company has expressly delegated to the Global Distributor the marketing, distribution and promotion of Shares in certain jurisdictions. The Global Distributor may, subject to the prior non-objection of the Management Company, appoint one or more sub-distributors for the distribution of Shares.

Sub-distributors may not offer all of the Sub-Funds and Share Classes to their clients. Prospective Shareholders should consult their respective sub-distributor for further details.



6 general information

6.1 merger, division or transfer

Within the limits of the UCI Law, the Board may decide to merge the assets of a Sub-Fund or Share Class with those of any other Sub-Fund or Share Class or sub-fund or share class of another UCITS and to re-designate the relevant Shares as shares of such other Sub-Fund, Share Class, sub-fund or share class, as the case may be.

A merger will not require the consent of the Shareholders, unless the Company will cease to exist as a result.

The Board may also decide to divide or transfer assets of Share Classes or Sub-Funds.

The Company will serve notice on the Shareholders of the relevant Sub-Funds and/or Share Classes one month before the date on which a merger or division becomes effective in order to enable such Shareholders to submit redemption or conversion applications if they so wish free of charge during such period, provided that, in the case of a merger, such period will terminate five Business Days before the exchange ratio is calculated.

Subscriptions for Shares of a Share Class in a Sub-Fund will be suspended with effect from the date of the Board's decision to merge, divide or transfer such Sub-Fund or Share Class, as the case may be.

Where a Sub-Fund has been established as a master Sub-Fund, no merger or division shall become effective, unless all Shareholders in such Sub-Fund and the competent authorities of the home member state of the feeder UCITS have been provided with all information required by law at least sixty (60) days before the proposed effective date. Unless the competent authorities of the home member state of the feeder UCITS have granted approval for the feeder UCITS to continue to be a feeder UCITS of the master Sub-Fund resulting from the merger or division of such Sub-Fund, such Sub-Fund will enable the feeder UCITS to repurchase or redeem all Shares the feeder UCITS holds in such Sub-Fund before the merger or division of such Sub-Fund becomes effective.

6.2 termination, dissolution and liquidation

6.2.1 Termination of a Sub-Fund and/or Share Class

If more than one Sub-Fund and/or Share Class are offered, the Board may decide at any time to terminate any Sub-Fund and/or Share Class. In the case of termination of a Sub-Fund and/or Share Class, Shares will be redeemed against cash at the Net Asset Value per Share for the Business Day on which such decision takes effect as described in section 4.5 headed "Redemption of Shares" (less the costs of the liquidation, if any).

If for any reason the value of the total net assets in any Sub-Fund or the value of the net assets of any Share Class within a Sub-Fund has decreased to, or has not reached, an amount determined by the Board from time to time to be the minimum level for such Sub-Fund and/or such Share Class to be operated in an economically efficient manner, or if a change in the economic, monetary or political situation relating to the Sub-Fund concerned would have potential material adverse consequences on the investments of that Sub-Fund, or as a matter of economic rationalization, the Board may decide to compulsorily redeem all the Shares of the relevant Sub-Fund and/or Share Classes in such Sub-Fund at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Date on which such decision takes effect. The Company will serve a notice to the Shareholders of the relevant Sub-Funds and/or Share Classes prior to the effective date for such compulsory redemption, which will indicate the reasons for and the procedures applicable to such compulsory redemption.

Subscriptions for Shares of a Share Class in a Sub-Fund will be suspended with effect from the date of the Board's decision to terminate such Sub-Fund or Share Class, as the case may be.

In addition, an extraordinary general meeting of Shareholders of any one or all Share Classes in a Sub-Fund may, upon a proposal from the Board, redeem all the Shares in such Sub-Fund and refund to the Shareholders the Net Asset Value per Share of their Shares (taking into account actual realization prices of investments and realization expenses) for the Business Day on which such decision takes effect. No quorum will be required for such a meeting and any decision to redeem will be taken by simple majority of the Shares present and/or represented at such meeting.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited at the end of the liquidation process with the Caisse de Consignation in Luxembourg on behalf of the persons entitled to them, until the statutory limitation period has lapsed.

Redeemed Shares will be cancelled by the Company.

The liquidation of a Sub-Fund will not involve the liquidation of another Sub-Fund. Only the liquidation of the last remaining Sub-Fund involves the liquidation of the Company.

6.2.2 Dissolution and Liquidation of the Company

The Company may at any time be dissolved by a resolution taken at an extraordinary general meeting of Shareholders, subject to the quorum and majority requirements as defined in the Articles of Incorporation.

Whenever the capital of the Company falls below two-thirds of the minimum capital required by the UCI Law, an extraordinary general meeting of the Shareholders will be called to consider the dissolution of the Company. No quorum will be required for such a meeting and any decision to redeem will be taken by simple majority of the Shares present and/or represented at such meeting.

In addition, whenever the capital of the Company falls below one quarter of the minimum capital prescribed by the UCI Law, an extraordinary general meeting of Shareholders will be called by the Board to consider the dissolution of the Company. No quorum will be required for such a meeting, and the dissolution may be resolved by the Shareholders holding one quarter of the votes present and represented at that meeting.

The extraordinary general meeting must be convened so that it is held within a period of 40 days from the date when it is ascertained that the capital of the Company have fallen below two-thirds or one quarter of the minimum capital required by Luxembourg law, as the case may be.

The issue of Shares will cease on the date of publication of the notice of the extraordinary general meeting of Shareholders, to which the dissolution and liquidation of the Company will be proposed.

One or more liquidators will be appointed by the extraordinary general meeting of Shareholders to realize the assets of the Company, subject to the approval of the CSSF and the best interests of Shareholders. The liquidation proceeds, net of all liquidation expenses, will be distributed by the liquidator(s) among the Shareholders in accordance with their respective rights. The amounts not claimed by Shareholders at the end of the liquidation process will be deposited, in accordance with Luxembourg law, with the Caisse de Consignations in Luxembourg until the statutory limitation period has lapsed.



6.3 master-feeder structure

The Board may, at any time it deems appropriate and to the widest extent permitted by applicable law and regulation, (a) create a Sub-Fund qualifying either as a feeder UCITS sub-fund or as a master UCITS sub-fund, (b) convert a Sub-Fund into a feeder UCITS sub-fund or (c) change the master UCITS of any feeder UCITS fund.

6.4 general meetings

The annual general meeting of Shareholders will be held each year at the registered office of the Company on the first Monday in March at 10:30 a.m. Luxembourg time (or if that is not a Business Day, the next Business Day) or such other time as may be determined by the Board.

Shareholders of the relevant Sub-Fund or Share Class may hold, at any time, general meetings to decide on any matters which relate exclusively to the relevant Sub-Fund or Share Class.

Notice of each general meeting is sent by ordinary post to all registered Shareholders at their registered address at least eight days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. To the extent required by Luxembourg law, further notices will be published in the RESA and in Luxembourg newspaper(s). The Company draws the Shareholder's attention to the fact that any Shareholder will only be able to fully exercise their investor rights directly against the Company, notably the right to participate in general meetings of Shareholders, if the Shareholder is registered himself and in their own name in the Shareholders' register of the Company. In cases where a Shareholder invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor (e.g., a distributor or nominee), it may not always be possible for the Shareholder to exercise certain Shareholder rights directly against the Company. Shareholders are recommended to take separate, independent advice on their rights in this regard.

6.5 annual and semi-annual reports

The Company's financial year ends on 30 September of each year.

Audited annual reports will be made available for inspection at the registered office of the Company within four months after the end of the financial year (and at least eight days before the annual general meeting) and unaudited semi-annual reports will be made available at the same location within two months after 31 March.

6.6 documents available for inspection

Copies of the Articles of Incorporation, the prospectus and the key investor information document ("KIID") of each Share Class may be delivered without cost to Shareholders and potential investors upon their request.

Copies of the current versions of the following documents may be inspected at the registered office of the Company free of charge during usual business hours on any Business Day by a Shareholder:

- The agreement between the Company and the Management Company
- Any agreement between the Company, the Management Company and an Investment Manager
- The agreement between the Company, the Management Company and the Global Distributor
- The agreement between the Company and the Depositary
- The agreement between the Management Company, the Company and the Administrator
- The annual and semi-annual reports of the Company
- A description of the Company's voting rights policy

In addition, the latest version of each KIID is available on: <https://gateway.fundinfo.com/3.0/query.html?apiKey=87ab0243d747741e26d6a39a6b682242>.

6.7 fees and expenses

The Company will pay the fees of all service providers, including the Investment Manager, the Sub-Investment Manager, the Global Distributor, the Management Company, the Administrator, the Transfer Agent and the Depositary.

The aggregate management fee and global distribution fee (i.e. the Global Management Fee) for each Share Class in each Sub-Fund is set out in the relevant table in section 2 headed "The Sub-Funds".

Subject to applicable law, Oaktree may in its absolute discretion agree with a Shareholder to pay such Shareholder part or all of the Global Management Fee borne by such Shareholder. Consequently, the net fee borne by such Shareholder may be lower than the fee borne by other Shareholders of the same Share Class.

The following service fees, among others, will also be paid by the Company:

- Management company fee of up to 0.03% per annum of the Net Asset Value of each Sub-Fund;
- Administration fee of up to 0.05% per annum of the Net Asset Value of each Sub-Fund; and
- Depositary fee of up to 0.05% per annum of the Net Asset Value of each Sub-Fund.

All service providers are entitled to reimbursement for all expenses that are proper liabilities of the Company.

The Company has borne all establishment expenses relating to the launch of the Company. Each Sub-Fund will bear all establishment expenses relating to its own launch. These expenses will be amortized over five years.

The Company will also bear all operational costs, fees, including performance-related fees, and liabilities that are incurred by, or arise out of the operation and activities of or otherwise related to, the Company or any Sub-Fund, including those incurred by any other person (including, without limitation, the Investment Managers, the Investment Sub-Managers, the Global Distributor, any other member of Oaktree, the Management Company, the Administrator, the Transfer Agent and the Depositary, as well as any other external professionals or agents engaged by the Company) on behalf of or which are allocable

to the Company. In addition, the Company will bear all expenses comprising among others fees and expenses for legal, auditing and tax preparation services; indemnification expenses; any fees and expenses involved in registering or maintaining the registration of the Company with any governmental agencies or stock exchanges; costs and expenses that are considered extraordinary expenses under generally accepted accounting principles; liquidation and winding up costs; any licensing fees; any fees and expenses incurred in connection with reporting to regulatory authorities and Shareholders and of preparing and providing any kind of audited and unaudited periodic reports; the cost of convening and holding Shareholders' and Board meetings; all taxes, duties, governmental and similar fees and charges (including all taxes levied on the assets and the income of the Company (in particular the "*taxe d'abonnement*" and any stamp duties payable)); the cost of any proposed listings and maintaining such listings, all other operating expenses, including all out-of-pocket fees, costs and expenses incurred by the Investment Managers or any other person engaged by the Company associated with evaluating potential investments (whether or not consummated) and of acquiring, monitoring, holding or disposing of investments for the Company; and all travel, correspondence and other transaction costs and expenses incurred in connection with acquiring, monitoring, holding or disposing of any investments.

The Company will bear the remuneration of the Directors (if any) and their reasonable out-of-pocket expenses, insurance coverage and reasonable travelling costs in connection with Board meetings.

Fees and expenses attributable to:

- A particular Sub-Fund will be allocated solely to such Sub-Fund; and
- All Sub-Funds will be allocated among the Sub-Funds pro rata to their Net Asset Values or split equally among Sub-Funds, as the Company deems more appropriate, at its sole discretion.

All other fees and expenses will be allocated among the Sub-Funds in good faith and reasonably by the Board.

6.8 conflicts of interest

6.8.1 General

Each Investment Manager and / or the Sub-Investment Manager (if any) and their affiliates currently manage and may in the future manage other funds and accounts (collectively, the "Other Funds") that invest in, and in some cases, have priority ahead of one or more Sub-Funds with respect to, securities or obligations eligible for purchase by such Sub-Funds. This situation presents the potential for conflicts of interest. While each Investment Manager and / or the Sub-Investment Manager (if any) will seek to manage such potential conflicts of interest in good faith, there may be situations in which the interests of one or more Sub-Funds with respect to a particular investment or other matter conflict with the interests of one or more Other Funds, the Investment Managers or one or more of their respective affiliates and / or the Sub-Investment Manager (if any). For example, such conflicts may arise in situations where an Other Fund has invested in the securities of an issuer, but due to changed circumstances, the investment opportunities with respect to such issuer subsequently fall within the investment focus of a Sub-Fund or where a Sub-Fund makes an investment in the same portfolio issuer in which an Other Fund has an investment, including at a different level of such portfolio issuer's capital structure (or vice versa). Subject to the provisions of the Articles of Incorporation, on any matter involving a conflict of interest, each Investment Manager and / or the Sub-Investment Manager (if any) will be guided by its duties to the Sub-Funds it manages as well as to the Other Funds and will manage such conflict in good faith and seek to ensure that the interests of such Sub-Funds and all affected Other Funds are represented. However, if necessary to resolve such conflict, each Investment Manager and / or the Sub-Investment Manager (if any) reserves the right to cause the Sub-Funds it manages to take such steps as may be necessary to minimize or eliminate the conflict, even if (subject to applicable law) that would require a Sub-Fund (a) to forego an investment opportunity or divest an investment that, in the absence of such conflict, it would have made or continued to hold or (b) otherwise to take action that may have the effect of benefitting an Other Fund (or the Investment Manager or any of its affiliates and / or the Sub-Investment Manager (if any) and therefore may not have been in the best interests of such Sub-Fund or the Shareholders in such Sub-Fund.

In addition, the Sub-Funds may buy assets from and/or sell assets to other Sub-Funds or Other Funds.

6.8.2 Conflicts Relating to Acquisition by Brookfield Asset Management

On 30 September 2019, Brookfield Asset Management Inc. ("Brookfield") completed the acquisition of up to 62% of the business of Oaktree Capital Group, LLC, an indirect controlling parent of Oaktree, which together with certain related transactions results in Brookfield owning a majority economic interest in Oaktree's business. Brookfield is a leading global alternative asset manager with over \$350 billion in assets under management. It is expected that both Brookfield and Oaktree will continue to operate their respective investment businesses largely independently, with each remaining under its current brand and led by its existing management and investment teams, and Brookfield and Oaktree managing their investment operations independently of each other pursuant to an information barrier. So long as the information barrier remains in place, Brookfield, the funds and accounts managed by Brookfield (collectively, "Brookfield Accounts"), and their respective portfolio companies will not be treated as "affiliates" of Oaktree or the Company for purposes of the prospectus, nor for purposes of Oaktree's identification and management of conflicts of interest (e.g., allocation of investment opportunities, transactions or services with the Company and/or Other Funds).

There is (and in the future will continue to be) overlap in investment strategies and investments pursued by Oaktree and Brookfield. Nevertheless, Oaktree does not expect to coordinate or consult with Brookfield with respect to investment activities and/or decisions. While this absence of coordination and consultation, and the information barrier described above, will in some respects serve to mitigate conflicts of interests between Oaktree and Brookfield, these same factors also will give rise to certain conflicts and risks in connection with Brookfield's and Oaktree's investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations.

This may result in conflicts of interests arising in the following situations :

- Brookfield and the Company competing for the same investment opportunities;
- the Company and Brookfield Accounts purchasing or selling an investment from each other;
- Brookfield and Oaktree being deemed to be affiliates for purposes of certain laws and regulations, leading to aggregation requirements in respect of certain investment holdings and disclosure obligations;
- breaches (including inadvertent breaches) of the information barrier and related internal controls by Brookfield and/or Oaktree resulting in significant consequences to Oaktree (and Brookfield) as well as have a significant adverse impact on the Company, including (among others) potential regulatory investigations and claims for securities laws violations in connection with the Company's investment activities;
- Brookfield or an affiliate thereof being retained by Oaktree to provide a variety of different non-investment management services to the Company.

These conflicts do not purport to be a complete list or explanation of all actual or potential conflicts that may arise as a result of the Oaktree acquisition by Brookfield, and additional conflicts not yet known by Brookfield or Oaktree may arise in the future and that conflicts will not necessarily be resolved in favor of the Company's interests. Because of the extensive scope of both Brookfield's and Oaktree's activities and the complexities involved in combining certain aspects of existing businesses, the policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time.



6.9 best execution

The relevant Investment Manager's best execution policy sets out the basis on which it will effect transactions and place orders in relation to the Company, in compliance with its legal and regulatory duties. Each Investment Manager gives certain contractual commitments to the Management Company with respect to best execution.

Details of the Investment Managers' best execution policies are available from the relevant Investment Manager or the Management Company.

6.10 pooling

For the purpose of efficient management, the Board may decide that some or all of the Company's assets may be co-managed with assets belonging to other entities and/or some or all of the assets of one or more of the Sub-Funds may be co-managed together. In this section, the term "co-managed entities" refers either to the Company and all other entities which own assets that are co-managed with the Company's assets or to the co-managed Sub-Funds, and the term "co-managed assets" refers to all assets that are co-managed together. Assets of co-managed entities will be managed in common. Co-managed assets are referred to as a "pool". A pool is created solely for internal management purposes and does not constitute a separate entity. Therefore, pools cannot be directly accessed by investors. Each co-managed entity will remain entitled to its own specific assets. Co-managed assets may be divided and transferred to all participating co-managed entities at any time.

There may be one or more pools consisting of different types of investments.

Each co-managed entity's share of co-managed assets will be determined initially by reference to the assets of such co-managed entity initially allocated to such pool. The entitlement of each co-managed entity to the co-managed assets in a pool applies to each line of the co-managed assets. Additional investments made on behalf of co-managed entities will be allocated to the co-managed entities in proportion to their participation in such additional investments, and assets will be sold on behalf of the co-managed entities in proportion to the co-managed entities' participation in such assets immediately preceding such sale.

Assets may be co-managed only if the Depositary acts as custodian of those assets, in order to ensure that the Depositary can fully exercise its functions and responsibilities in accordance with the provisions of the UCI Law.

Shareholders may at any time contact the Company's registered office for information on the percentage of assets co-managed and the entities with which such co-management is in force at the time of request.

6.11 data protection

Further information on how the Company and Oaktree process personal data is available on: <https://www.oaktreesicav.com/privacy-policy>.

6.12 brokerage and portfolio transactions

The Investment Managers and / or the Sub-Investment Manager (if any) are responsible for the placement of the Sub-Funds' portfolio transactions and the negotiation of prices and commissions, if any, with respect to such transactions. Fixed income and unlisted equity securities are generally purchased from a primary market maker acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread. Listed equity securities are normally purchased through brokers in transactions executed on securities exchanges involving negotiated commissions. Both fixed income and equity securities are also purchased in underwritten offerings at fixed prices which include discounts to underwriters or concessions to dealers.

The Investment Managers's and / or the Sub-Investment Manager's (if any) objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution on transactions effected for the relevant Sub-Fund. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors will be considered to the extent they are deemed relevant. These factors include the Investment Managers' and / or the Sub-Investment Manager's (if any) knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities, as well as the reputation and perceived soundness of the broker or dealer selected and other brokers or dealers considered; the Investment Managers' and / or the Sub-Investment Manager's (if any) knowledge of actual or apparent operational problems of any broker or dealer; the broker's or dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of spreads or commissions; and the research services and products furnished by the broker or dealer, if any.

In seeking to obtain best execution, the Investment Manager and / or the Sub-Investment Manager (if any) generally will not seek in advance competitive bidding for the most favorable commission rate or spread applicable to any particular portfolio transaction or to select any broker or dealer on the basis of its purported or "posted" commission rate. The Investment Manager and / or the Sub-Investment Manager (if any) will endeavor to be aware of the current level of the charges of eligible brokers or dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. Although the Investment Manager and / or the Sub-Investment Manager (if any) generally seeks competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and would thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with obtaining best execution, brokerage commissions (including dealer spreads paid on certain principal transactions in accordance with SEC interpretations) on the Sub-Fund's portfolio transactions may be directed by the Investment Manager and / or the Sub-Investment Manager (if any) to a broker or dealer in recognition of research services furnished by the broker or dealer or a designated third party, as well as for services rendered in such execution of orders by such broker or dealer. The Investment Manager and / or the Sub-Investment Manager (if any) may maintain an internal allocation procedure to identify those broker dealers who have provided it with research services and may endeavor to place sufficient transactions with them to ensure the continued receipt of research services the Investment Manager and / or the Sub-Investment Manager (if any) believes are useful to the Sub-Fund. In considering such research, the Investment Manager and / or the Sub-Investment Manager (if any) first determines that the product or service will provide lawful and appropriate assistance in the performance of its investment decision making responsibilities. A determination is then made that the amount of commissions paid is reasonable in light of the value of the brokerage and research services provided. The Investment Manager and / or the Sub-Investment Manager (if any) does not attempt to put a specific monetary value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research received is, in the aggregate, of assistance to the Investment Manager and / or the Sub-Investment Manager (if any) in fulfilling its overall duty to its clients. The Investment Manager and / or the Sub-Investment Manager (if any) notes that each and

every research service may not be used to service each and every account managed by the Investment Manager and / or the Sub-Investment Manager (if any) and the Investment Manager and / or the Sub-Investment Manager (if any) may use research services to service accounts that did not pay commissions to the broker dealers providing such research services. Moreover, the Investment Manager and / or the Sub-Investment Manager (if any) may benefit from these services as it may not have to pay for such research services and products out of its own resources.

The receipt of investment research and information and related services permits the Investment Manager and / or the Sub-Investment Manager (if any) to supplement its own research and analysis and makes available to the Investment Manager and / or the Sub-Investment Manager (if any) the views and information of individuals and research staffs of other firms. The views and information include written materials on certain companies, industries, areas of the economy or market factors and other areas which might affect the economy or securities prices. Research services may also include statistical information, accounting and tax law interpretations that relate to an investment, political developments that may affect investments in the markets in which the Sub-Funds invest, legal developments affecting portfolio securities, technical market actions, pricing and appraisal services, credit risk measurement and performance analysis, analysis of corporation responsibility issues, portfolio strategy and analytic computer software. They also include advice from broker dealers as to the value of securities, availability of securities, availability of buyers and availability of sellers. In addition, they include recommendations as to the purchase and sale of individual securities and timing of transactions.

These research services may be received through on-line information services provided by the broker or dealer or a designated third party. Due to the receipt of various research materials through on-line services, products may include software used in connection with gaining access to the information and may be considered a mixed-use item, having both research and non-research functions. When products or services, including on-line services, are used for both research and other purposes, the Investment Manager and / or the Sub-Investment Manager (if any) makes a good faith allocation of the cost of the product or services between the research and non-research functions. The non-research portion will be paid in cash by the Investment Manager, and / or the Sub-Investment Manager (if any) while the portion attributable to research will be paid through brokerage commissions. Brokers or dealers selected by the Investment Manager and / or the Sub-Investment Manager (if any) may be paid commissions for effecting transactions for the Sub-Fund(s) in excess of the amounts other brokers or dealers would have charged for effecting these transactions if the Investment Manager and / or the Sub-Investment Manager (if any) determines in good faith that such amounts are reasonable in relation to the value of the brokerage or research services provided by such brokers or dealers, viewed either in terms of a particular transaction or the Investment Manager's and / or the Sub-Investment Manager's (if any) overall duty to its discretionary accounts.

6.13 governing law

Any legal disputes between the Shareholders and the Company will be subject to the jurisdiction of the competent Luxembourg court. The ability of a Shareholder to bring a claim against the Company expires five years after the event on which the claim would be based (30 years in the case of claims concerning entitlement to the proceeds of a liquidation).

In the case of any inconsistency in translations of the prospectus, the English version will prevail.

6.14 anlv-reporting, trustee consent for german insurance investors, waiver of set-off

A Shareholder that is required to comply with the German Investment Ordinance (*Anlageverordnung*) and the Circular 11/2017 of 12 December 2017 issued by the BaFin will be provided at least on a quarterly basis with position reporting relating to the Sub-Fund in which it is a Shareholder.

If a Shareholder is subject to the VAG and required to obtain the consent of its trustee before disposing of part or all of its Shares in a Sub-Fund (Sec. 129 para. 1, 128 para 2 VAG), the Company will require written evidence of such consent before processing a redemption order of that Shareholder.

The Company (and each of the Sub-Funds) waives any set-off rights, if any, vis-à-vis a Shareholder who is subject to the VAG.

6.15 SFDR

The Investment Managers and the Sub-Investment Manager believe that long-term value will be enhanced by considering ESG risk when investing, promoting ESG awareness, and improving the ESG practices of their investments. As such, the Investment Managers and the Sub-Investment Manager (as applicable) take account of Sustainability Risks in their investment decisions on behalf of the Sub-Funds. However, none the Management Company, the Investment Managers or the Sub-Investment Manager consider the adverse impacts of investment decisions on sustainability factors within the meaning of and in the manner prescribed by the SFDR, because they are mindful that the detailed underlying rules contained in the Regulatory Technical Standards merit a thorough evaluation, including to ascertain the availability of the data set required to be reported. The Investment Managers and the Sub-Investment Manager will continue to assess their position as the underlying rules are finalised and market practice develops in this area.



Management Company:	<i>FundRock Management Company S.A.</i> 33, rue de Gasperich L-5826 Hesperange Grand Duchy of Luxembourg	
Investment Managers:	<i>Oaktree Capital Management, L.P.</i> 333 South Grand Avenue, 28th Floor Los Angeles, California 90071 United States of America	<i>Oaktree Capital Management (UK) LLP</i> Verde, 10 Bressenden Place London SW1E 5DH United Kingdom
Sub-Investment Manager	<i>Oaktree Capital (Hong Kong) Limited</i> Suite 2001, 20F, Champion Tower, 3 Garden Road Central Hong Kong	
Global Distributor:	<i>Oaktree Capital Management (UK) LLP</i> Verde, 10 Bressenden Place London SW1E 5DH United Kingdom	
Depository of the Company:	<i>State Street Bank International GmbH, Luxembourg Branch</i> 49 Avenue J.F. Kennedy L-1855 Luxembourg	
Administrator, Paying Agent and Registrar and Transfer Agent:	<i>State Street Bank International GmbH, Luxembourg Branch</i> 49 Avenue J.F. Kennedy L-1855 Luxembourg	
Auditor of the Company:	<i>Ernst & Young</i> 35E, Avenue John F. Kennedy L-1855 Luxembourg	
Legal Advisor to the Company:	<i>Allen & Overy, société en commandite simple</i> 5, Avenue John F. Kennedy L-1855 Luxembourg	



appendix a – investment powers and restrictions

The following investment powers and restrictions will apply to all investments by the Company:

Investment Instruments

The Company, in each Sub-Fund, may only invest in:

- a. Transferable securities and money market instruments admitted to or dealt in on a regulated market, as defined in Article 4 point 1 (14) of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;
- b. Transferable securities and money market instruments dealt in on another regulated market in a EU Member State which operates regularly and is recognised and open to the public;
- c. Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt in on another regulated market in a non-EU Member State, which operates regularly and is recognised and open to the public located within any other country of Europe, Asia Oceania, the American continent or Africa;
- 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 to another regulated market referred to under paragraphs (a) to (c) above and that such admission is secured within one year of issue;
- e. Shares or units of UCITS authorised according to the UCITS Directive and/or other undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, should they be situated in a EU member state or not, provided that:
 - i. Such other undertaking for collective investment are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - ii. The level of guaranteed protection for unit-holders in such other undertaking for collective investment is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
 - iii. The business of the other undertaking for collective investment is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - iv. No more than 10% of the UCITS or the other undertaking for collective investment net assets, whose acquisition is contemplated, can be, according to its management regulations or instruments of incorporation, invested in aggregate in units of other UCITS or other undertaking for collective investments;

Each Sub-Fund may also acquire Shares of another Sub-Fund subject to the provisions of article 181 (8) of the UCI Law and under the following conditions:

- The target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
 - No more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested pursuant to its instruments of incorporation in units of other UCIs; and
 - Voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - In any event, for as long as these securities are held by the Company, 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 UCI Law; and
 - There is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund having invested in the target Sub-Fund, and this target Sub-Fund.
- 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 EU Member State or, if the registered office of the credit institution is situated in a non EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
 - g. Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in paragraphs (a), (b) and (c); and/or OTC Derivatives, provided that:
 - i. The underlying consists of instruments covered by paragraphs (a) to (h), financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to the investment objectives as stated in the UCITS' management regulations or instruments of incorporation;
 - ii. The counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - iii. The OTC Derivatives are subject to reliable and verifiable valuation on a daily basis inasmuch as such day is a business day and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Company's initiative;
 - h. Money market instruments other than those dealt in on a regulated market and referred to in paragraphs (a) to (d) above, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
 - i. Issued or guaranteed by a central, regional or local authority, a central bank of a EU Member State, the ECB, the EU or the European Investment Bank, a non-EU Member State or, in the 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 EU Member States belong; or
 - ii. Issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs (a), (b) or (c); or
 - iii. Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
 - iv. 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 of this paragraph (iv) and further provided that the issuer is a company whose capital and reserves amount at least to ten million EUR (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with 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

In addition, the Company:

- May invest up to 10% of the net assets of a Sub-Fund in transferable securities and money market instruments other than those referred to above;
- May acquire movable and immovable property which is essential for the direct pursuit of its business;
- May not acquire either precious metals or certificates representing them; and
- May hold ancillary liquid assets.



appendix b – risk management

The Management Company on behalf of the Company will use a risk management process that enables it to monitor and measure at any time the risk of the Sub-Funds' portfolio positions and their contribution to the overall risk profile of the Company.

1.1. risk related to derivatives

Not all Sub-Funds will invest in derivatives and therefore a risk assessment of derivatives will not be relevant with respect to all Sub-Funds. To the extent a Sub-Fund invests in derivatives, the Management Company on behalf of the Company will employ a process allowing for accurate and independent assessment of the value of OTC Derivatives. The Management Company on behalf of the Company will ensure that each Sub-Fund's global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets, the counter-party risk, future market movements and the time available to liquidate the positions. The exposure of a Sub-Fund may further be increased by transitory borrowings not exceeding 10% of the assets of a Sub-Fund.

The global exposure of the Sub-Funds may be measured by the Management Company through the commitment approach or the VaR methodology. The method used by each Sub-Fund to calculate global exposure is the commitment approach, unless otherwise mentioned for the relevant Sub-Fund in section 2 headed "The Sub-Funds".

The commitment approach is based, in part, on the principle of converting the exposure to derivative instruments into equivalent positions of the underlying assets and quantifying the exposure in absolute value of the total commitments (which may account for coverage and netting).

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Funds is subject to periodic stress testing and back testing.

VaR limits are set using an absolute or relative approach. The Management Company will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in Section 2.

1.2. risk management process

In accordance with the UCI Law and other applicable regulations, in particular CSSF Circular 11/512, the Management Company on behalf of the Company uses a risk management process which enables it to assess the exposure of the Company to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Company.

In relation to financial derivative instruments the Management Company employs a process for accurate and independent assessment of the value of OTC Derivatives and the Management Company ensures for each of the Company's Sub-Funds that its global exposure relating to financial derivative instruments does not exceed the limits as set out in Appendix A headed "Investment Powers and Investment Restrictions".

The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Appendix A headed "Investment Powers and Investment Restrictions", in financial derivative instruments, provided that the global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Appendix A headed "Investment Powers and Investment Restrictions".

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to any such limits.

When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with these requirements.

1.3. risk diversification

1. In accordance with the principle of risk diversification, each Sub-Fund will invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body. Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.
2. The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction and/or efficient portfolio management transaction may in aggregate not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph (f) in Appendix A headed "Investment Powers and Investment Restrictions", or 5% of its net assets in any other case.
3. Moreover, the total value of the transferable securities and money market instruments held by the Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
4. Notwithstanding the limits laid down in paragraph (1) above, the Sub-Fund may not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:
 - a. Investments in transferable securities or money market instruments issued by that body;
 - b. Deposits made with that body; and/or
 - c. Exposures arising from OTC Derivatives transactions and/or efficient portfolio management transactions undertaken with that body.
5. The following exceptions can be made:
 - a. The limit of 10% laid down in paragraph (1) above, can be raised to a maximum of 25% for certain debt securities if they are issued by a credit institution whose registered office is situated in an EU Member State and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested, pursuant to the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising there from and which are assigned to the preferential repayment of capital and accrued interest in the case of default by the issuer. If the Sub-Fund



invests more than 5% of its net assets in such debt securities as referred to in this paragraph and issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-Fund's net assets.

- b. The limit of 10% laid down in paragraph (1) above, can be raised to a maximum of 35% for transferable securities or money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a non EU Member State or by public international bodies of which one or more EU Member States are members.
- c. The transferable securities and money market instruments referred to in exceptions paragraph (5)(a) and (b) above are not included in the calculation of the limit of 40% laid down in paragraph (3) above.
- d. The limits stated under paragraphs (1) to (4) and (5)(a) and (b) above, may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same body or in deposits or derivatives instruments made with this body in accordance with paragraphs (1) to (4) and (5)(a) and (b) above, may not, in any event, exceed a total of 35% of the Sub-Fund's net assets.
- e. Companies which are included in the same group for the purposes 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 paragraphs (1) to (5).
- f. Each Sub-Fund may invest in aggregate up to 20% of its net assets in transferable securities and money market instruments with the same group.
- g. Without prejudice to the limits laid down in paragraph (11) below, the limit of 10% laid down in paragraphs (1) to (5)(f) is raised to a maximum of 20% for investment in equity and or debt securities issued by the same body when the aim of the investment policy of the Company is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:
 - i. The composition of the index is sufficiently diversified,
 - ii. The index represents an adequate benchmark for the market to which it refers,
 - iii. It is published in an appropriate manner.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in 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.

- 6. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.
- 7. **The Company may further 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 a EU Member State, its local authorities, a non-EU Member State member of the Organisation for Economic Co-Operation and Development or public international bodies of which one or more EU Member State are members, provided that in such event the Sub-Fund must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of the total amount.**
- 8. Each Sub-Fund has six months from its date of authorization to achieve compliance with paragraphs (1) to (7) and (9).
- 9.
 - a. Each Sub-Fund may acquire shares or units of UCITS and/or other UCIs referred to under paragraph (e) in Appendix A headed "Investment Powers and Investment Restrictions", provided that investments made in shares or units of UCITS and/or other UCIs may not exceed, in aggregate, 10% of the net assets of the relevant Sub-Fund.
 - b. For the purposes of applying this investment limit, each Sub-Fund of an undertaking for collective investment with multiple Sub-Funds, within the meaning of Article 181 of the UCI Law, will be considered as a separate entity, provided that the principle of segregation of commitments of the different Sub-Funds is ensured in relation to third parties.
 - c. When the Sub-Fund has acquired shares or units of UCITS and/or other UCI, the assets of the respective UCITS or other undertaking for collective investment do not have to be combined in the view of the limits laid down in paragraphs (1) to (5)(a) to (f).
 - d. When the Sub-Fund invests in the shares or units of other UCITS and/or other undertaking for collective investment that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge any management fee nor any subscription or redemption fees on account of the UCITS' investment in the units of other UCITS and/or other UCI.
- 10. The Company will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 11. The Company may not acquire more than:
 - a. 10% of non-voting shares of the same issuer;
 - b. 10% of the debt securities issued by the same issuer;
 - c. 25% of the units of the same UCITS and/or other UCI; or
 - d. 10% of the money market instruments of the same issuer.
 - e. The limits laid down in paragraphs (b), (c) and (d) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the securities in issue, cannot be calculated.
- 12. The limits of paragraphs (10) and (11) above are waived as to:
 - a. Transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
 - b. Transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
 - c. Transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
 - d. Shares held in the capital of a company incorporated in a non-EU Member State and investing its assets mainly in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which the Sub-Fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with paragraphs (1) to (5)(a) to (f) as well as paragraphs (9), (10) and (11) above. If the limits stated in paragraphs (1) to (5)(a) to (f) and (9) above are exceeded, the provisions laid down in (8) and (16) will apply mutatis mutandis;
 - e. Shares held by the Sub-Funds in the capital of one or more subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of units at Shareholders' request exclusively on its or their behalf.

13. Any Sub-Fund may not borrow more than 10% of its total net assets, and then only from financial institutions and on a temporary basis. Each Sub-Fund may, however, acquire foreign currency by means of a back to back loan. In addition, each Sub-Fund can borrow up to 10% of its net assets to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15% of the Sub-Fund's net assets.
14. The Company may not grant credits or act as guarantor for third parties. This limitation does not prevent the Company to purchase securities that are not fully paid up, nor to lend securities as further described thereunder. This limitation does not apply to margin payments on option deals and other similar transactions made in conformity with established market practices.
15. Each Sub-Fund will not purchase any securities on margin (except that the Sub-Fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with option, forward or financial futures contracts, are, however, permitted within the limits provided for below.

The Board is authorised to introduce further investment restrictions at any time in the interests of the Shareholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which the Company's shares are offered and sold. In this event this sales prospectus will be updated.
16. **If any of the above limitations are exceeded for reasons beyond the control of the Company and/or each Sub-Fund or as a result of the exercise of subscription rights attaching to transferable securities or money market instruments, the Investment Managers and / or the Sub-Investment Managers (if any) must adopt, as a priority objective, sales transactions for the remedying of that situation, taking due account of the interests of its Shareholders.**
17. The Company via the Management Company employs a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-Fund(s). The Management Company employs a process allowing for accurate and independent assessment of the value of the OTC Derivatives.

Information relating to the quantitative limits that apply in the risk management of the Company to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to Shareholders upon request.

1.4. Integration of Sustainability Risks

Before any investment decisions are made on behalf of a Sub-Fund, the Investment Managers and/or the Sub-Investment Manager will identify the material risks associated with the proposed investment. These risks form part of the overall investment analysis. The Investment Managers and/or the Sub-Investment Manager will assess the identified risks alongside other relevant factors. Following their assessment, the Investment Managers and/or the Sub-Investment Manager make investment decisions having regard to the relevant Sub-Fund's investment policy and objectives, taking into account Sustainability Risks and the Oaktree Group' wider policies and procedures on responsible investing.

Sustainability Risk is potentially relevant to the Sub-Funds having regard to the types of investments that may be made in accordance with each Sub-Fund's investment policy and objectives. The Sub-Funds are exposed to potential Sustainability Risk as reflected in Appendix D (Risk Factors) of the Fund's prospectus. Notwithstanding the above, it is recognised that Sustainability Risk may not be relevant to certain non-core activities undertaken in relation to a particular Sub-Fund (for example, hedging) as specified in section 2 headed "The Sub-Funds".

appendix c – derivatives and efficient portfolio management

1. general provisions

For investment purposes, hedging purposes and the purpose of efficient portfolio management and/or to protect its assets and commitments, the Company may, but is not required to, arrange for each Sub-Fund to make use of techniques and instruments relating to transferable securities and money market instruments provided they are economically appropriate in that they are realised in a cost-effective way, they are entered into for one or more of the following specific aims: (A) reduction of risk; (B) reduction of cost; (C) generation of additional capital or income for the relevant Sub-Fund with a level of risk which is consistent with its risk profile and applicable risk diversification rules; their risks are adequately captured by the Management Company's risk management process and they are taken into account by the Management Company when developing its liquidity risk management process in order to ensure that the Company is able to comply at any time with its redemption obligations.

The techniques and instruments referred to above include, among others, the purchase and sale of call and put options and the purchase and sale of future contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments. The Sub-Funds will use instruments dealt in on a regulated market referred to under paragraphs (1), (2) and (3) of Appendix A headed "Investment Powers and Investment Restrictions" or dealt in over-the-counter (in accordance with the conditions set out in Appendix A headed "Investment Powers and Investment Restrictions"). In general, when these transactions involve the use of derivatives, the conditions and restrictions set out in Appendix A headed "Investment Powers and Investment Restrictions" must be complied with.

In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Company to depart from the investment objectives set out in the prospectus. Such techniques and instruments will only be used to the extent that the Investment Manager and / or the Sub-Investment Managers (if any) determines in good faith that this is in Shareholders' interests and is compliance with the Sub-Fund's investment objective. The Sub-Fund thus aims to ensure that the management of the assets is as efficient as possible, and that the investment policy is implemented as exactly as possible.

2. financial derivative instruments

When operations concern the use of financial derivative instruments, the relevant techniques and instruments will conform to the provisions laid down in Appendix A headed "Investment Powers and Investment Restrictions". In addition, the provisions in Appendix B headed "Risk Management" must be complied with.

Under no circumstances will these operations cause a Sub-Fund to diverge from its investment policies and objectives as laid down in "Risk Management — Investment Policies" and in section 2 headed "The Sub-Funds".

A Sub-Fund may invest in financial derivative instruments including, without limitation, foreign exchange forwards, non-deliverable forwards, interest rate swaps, currency swaps, options, swaptions, credit default swaps and credit linked note for either investment or for hedging purposes.

A Sub-Fund may, but is not required to, buy or sell futures, swaps and options on currencies in order to hedge, in part or in full, the currency risk relating to investments held by the Sub-Fund against the Reference Currency of the Sub-Fund. This may be done directly (hedging of one currency against the Reference Currency) or indirectly (hedging of one currency against another currency that is then hedged against the Reference Currency).

The markets for options and futures contracts are volatile, and the possibility of making gains and the risk of suffering losses are both higher than with investments in securities. These techniques and instruments are only used if the Investment Manager and / or the Sub-Investment Manager (if any) determines in good faith that they are compliant with the investment policy of the Sub-Fund and do not impair the quality of the Sub-Fund.

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

Interest rate swaps provide for an exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. Each party thereby gains indirect access to the fixed or floating capital markets.

Currency swaps are bilateral financial contracts to exchange the principal and interest in one currency for the same in another currency in order to hedge specific currency risk.

Swaptions are options on an interest rate swap. The buyer of a swaption has the right to enter into an interest rate swap agreement by some specified date in the future. The swaption agreement will specify whether the buyer of the swaption will be a fixed-rate receiver or a fixed-rate payer. The writer of the swaption becomes the counterparty if the buyer exercises.

Credit default swaps are bilateral financial contracts in which one counterparty (the "protection buyer") pays a periodic fee in return for a contingent payment by the other counterparty (the "protection seller") following a credit event of a reference issuer. The protection buyer acquires the right to exchange particular bonds or loans issued by the reference issuer with the protection seller for its or their par value, in an aggregate amount up to the notional value of the contract, when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

Credit linked notes are structured notes that enable access to local or external assets which are otherwise inaccessible to the Sub-Fund. Credit linked notes are issued by highly rated financial institutions; where credit linked notes are not listed or dealt in on a regulated market, the investment in credit linked notes will always be within the limit of 10% laid down in paragraph (1) in the section headed "Risk Diversification" of Appendix B headed "Risk Management"; the legal restrictions are applied to the issuer of the credit linked notes as well as to the underlying thereof. In those cases where credit linked notes are listed or dealt in on a regulated market, the aforementioned limit of 10% will not apply and the investment restrictions applicable to credit linked notes will be those laid down in paragraph (5)(a) in the section headed "Risk Diversification".



3. collateral policy

Where a Sub-Fund enters into OTC financial derivative and/or efficient portfolio management transactions, collateral may be used to reduce counterparty risk exposure subject to the following conditions:

1. In accordance with section II b) of CSSF Circular 08/356 only the following types of collateral may be used to reduce counterparty risk exposure:
 - a. Liquid assets, including cash and short term bank certificates and money market instruments as defined in Directive 2007/16/EC; a letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets;
 - b. Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
 - c. Shares or units issued by money market funds calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
 - d. Shares or units issued by UCITS investing mainly in bonds/shares mentioned in the following two paragraphs;
 - e. Bonds issued or guaranteed by first class issuers offering an adequate liquidity;
 - f. Shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
2. Any collateral received other than cash must 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 must also comply with the provisions of Article 48 of the UCI Law.
3. Collateral received will be valued on at least a daily basis. In this context, corresponding variation margins will be exchanged on a daily basis, if required. Assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.
4. Collateral received must be of high quality.
5. The collateral received by the Company must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
6. Collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if a Sub-Fund receives from a counterparty of OTC derivative and/or efficient portfolio management transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral must be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU member state, one or more of its local authorities, a third country which is member of the OECD, or a public international body to which one or more EU member states belong. Such a Sub-Fund must receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. A Sub-Fund that intends to be fully collateralised in securities issued or guaranteed by an EU member state should disclose this fact in section 2 headed "The Sub-Funds". A Sub-Fund should also identify the EU member states, local authorities, OECD member third countries, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.
7. Risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated in accordance with the Management Company's risk management process concerning the Company.
8. Where there is a title transfer, the collateral received must be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
9. Collateral received must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
10. Non-cash collateral received must not be sold, re-invested or pledged.
11. Reinvestment of cash collateral involves risks associated with the type of investments made. Reinvestment of collateral may create a leverage effect which will be taken into account for the calculation of the Company's global exposure. Cash collateral received will only be:
 - a. Placed on deposit with entities prescribed in Article 41 (1) (f) of the UCI Law;
 - b. Invested in high-quality government bonds;
 - c. Used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
 - d. Invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds;
 - e. Re-invested in accordance with the diversification requirements applicable to non-cash collateral.

4. securities financing transactions and total return swaps

The Company currently does not intend to make use of any securities financing transactions covered by Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 or any total return swaps. The Company will update the prospectus if subsequently in the future it intends to make use of any additional securities financing transactions or total return swaps.

appendix d – risk factors

An investment in any Sub-Fund established by the Company is speculative and involves a high degree of risk, including those described below. An investment in any Sub-Fund established by the Company should be made only after consultation with independent qualified sources of investment, tax, legal and other appropriate professional advice. In addition to the information set forth elsewhere in this Prospectus, a prospective purchaser of Shares in any Sub-Fund established by the Company should consider the factors set forth below.



1. general

Each Sub-Fund established by the Company will invest in a number of securities and obligations that entail substantial risks, including highly volatile and speculative securities that may result in substantial losses to the relevant Sub-Fund. Although the Investment Managers and / or the Sub-Investment Managers (if any) will attempt to manage those risks through careful research and credit analysis and ongoing monitoring of investments, there can be no assurance that the securities and other instruments purchased by the relevant Sub-Fund will not incur significant losses.

Each Sub-Fund will invest in and will actively trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the global equity, currency, and fixed income markets, the risks of leverage, the potential illiquidity of derivative instruments and other portfolio investments and the risk of loss from counterparty defaults. No guarantee is made that a Sub-Fund's investment program or overall portfolio, or various investment strategies used or investments made will have low correlation with each other or that a Sub-Fund's returns will exhibit low long-term correlation with an investor's traditional securities portfolio. A Sub-Fund's investment program may use such investment techniques as derivative transactions, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which such Sub-Fund may be subject. All investments made by a Sub-Fund risk the loss of capital. No guarantee or representation is made that a Sub-Fund's investment program will be successful, that a Sub-Fund will achieve its investment objective or that there will be any return of capital invested to Shareholders. Investment results may vary substantially over time.

Shareholders who are subject to fiduciary obligations will be asked to represent that their investments in the relevant Sub-Fund are being made by them as authorized fiduciaries. In addition, all Shareholders may be asked to represent that they are investing in reliance on their own tax, legal and financial advisors and not on any advice or recommendation of the Company or the Investment Manager and / or the Sub-Investment Managers (if any).

2. risk related to derivatives

2.1. derivatives Risk

Certain derivatives could behave unexpectedly or could expose a Sub-Fund to losses that are significantly greater than the cost of the derivative. Derivatives in general are highly volatile and do not carry any voting rights. The pricing and volatility of many derivatives (especially credit default swaps) may diverge from strictly reflecting the pricing or volatility of their underlying reference(s). In difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by certain derivatives.

2.2. otc derivatives

Because OTC derivatives are in essence private agreements between a Sub-Fund and one or more counterparties, they are less highly regulated than market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honor its obligations to a Sub-Fund. If counterparty ceases to offer a derivative that a Sub-Fund had been planning on using, the Sub-Fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Because it is generally impractical for the Company to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any Sub-Fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the Company, which could leave the Company unable to operate efficiently and competitively.

2.3. exchange-traded derivatives

While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for a Sub-Fund to realize gains or avoid losses, which in turn could cause a delay in handling redemptions of Shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system may not happen when or as expected.

3. interest rate risk

When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.

4. credit risk

Sub-Funds investing in fixed income securities are subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity. Sub-Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

5. market risk

Market risk is a general risk which may affect all investments to the effect that the value of a particular investment could change in a way that is detrimental to the Company's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

6. high yield bonds risk

Investments in high-yield bonds (debt instruments issued by issuers with lower credit ratings and offering a comparatively high yield) are deemed to be speculative in so far as their possible higher return will entail increased issuer and market risks. Compared with top-rated debt instruments, the risk of an issuer being unable to meet payments on the principal and/or interest is higher. Some issuers of high-yield bonds may have an unfavorable debt-to-equity ratio, and may have been compelled to resort to the high-yield bond market because they do not have access to other sources for financing their activities. The markets for high-yield bonds tend to be less liquid and more volatile than the markets for top-rated debt instruments, owing to a lower trading volume and, as a rule, a smaller number of market participants. The prices of high-yield bonds are generally speaking more sensitive to the perception of the business situation of their issuer and to general economic developments than top-rated bonds. If a Sub-Fund is required (e.g., owing to substantial redemptions occurring on the part of Shareholders in such Sub-Fund) to realize investments in an environment of falling prices, sales of investments at unfavorable terms may ensue. The terms of issue of high-yield bonds often contain provisions allowing for a repayment at the option of the issuer prior to maturity. If such repayment occurs in a period of falling interest rates, such early repayment may have an adverse effect on a Sub-Fund's net assets.

7. equity securities risk

All equity investments involve market and other risks. In addition, to the extent that a Sub-Fund invests in equity securities, the relevant Sub-Fund may have higher levels of risk and volatility compared to other investment strategies. A primary risk is that the value of the equity securities it holds may decrease in response to the activities of an individual company or in response to general market, business and economic conditions. If this occurs, the Sub-Funds' Share price will also decrease.

8. currency risk

Changes in currency exchange rates could reduce investment gains or increase investment losses. Exchange rates can change rapidly and unpredictably.

9. counterparty risk

An entity with which the Company does business could become unwilling or unable to meet its obligations to the Company.

10. hedged share class risk

The hedging strategy applied to hedged Share Classes may vary from one Sub-Fund to another. Each Sub-Fund will apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Sub-Fund and the nominal currency of the hedged Share Class while taking various practical considerations into account. The hedging strategy aims to reduce, but may not totally eliminate, currency exposure.

Shareholders should note that there is no segregation of liabilities between the individual Share Classes within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Share Class could result in liabilities affecting the Net Asset Value of the other Share Classes of the same Sub-Fund. In such case, assets of other Share Classes of such Sub-Fund may be used to cover the liabilities incurred by the hedged Share Class.

Among other things, because the Net Asset Value of the Sub-Funds will fluctuate over time and the Net Asset Value of the Sub-Funds and the corresponding hedged amounts are calculated and adjusted only periodically, any currency risk related to changes in the Net Asset Value of the Sub-Funds that is not determined or reflected at the time the forward currency contracts are entered into will remain un-hedged. Furthermore, the use of hedging strategies may substantially limit Shareholders in the relevant Hedged Share Class from benefiting with respect to favourable currency fluctuations in relation to the Reference Currency of the relevant Sub-Fund. All costs and gains/losses of hedging transactions are borne by the Shareholders of the respective hedged Share Classes.

11. liquidity risk

Any security could become hard to value, or hard to sell at a reasonable price or in large volumes. This includes securities that are labelled as illiquid, such as Rule 144 securities, as well as stocks, bonds, and any other type of securities, as well as stocks, bonds, and any other that represents a small issue, trades infrequently, or is traded on markets that are comparatively small or that have long settlement times.

12. investments in emerging markets

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject



to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. A Sub-Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in courts in these countries.

Certain of the emerging markets countries in which a Sub-Fund may invest are currently experiencing rapid economic growth, rising real estate prices, elevated growth in credit and rising inflation. Consequently, certain governments are tightening monetary and fiscal policies in an effort to cool inflation of prices of assets and goods and services. There can be no assurance that the current monetary and fiscal tightening in these countries will not continue or worsen, spread to other countries in which a Sub-Fund's investments are located, or make it more difficult for a Sub-Fund to find appropriate opportunities.

Additionally, as a result of large-scale currency speculation, a number of emerging markets countries have been unable to sustain exchange rates and have devalued their currency relative to the U.S. dollar or shifted to floating exchange rate regimes. Any future devaluations could adversely affect a Sub-Fund.

13. investments in china

13.1. political and economic considerations

The investments of the Sub-Funds may include shares in companies incorporated in Mainland China which are listed on the Stock Exchange of Hong Kong Limited and primarily traded in Hong Kong ("H-Shares"). Investors should be aware that the economy of Mainland China differs from the economies of most developed countries in many respects, including the government involvement in its economy, the level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in Mainland China is not well developed compared with those of developed countries.

By investing in H-Shares the Sub-Funds are subject to the risks of investing in emerging markets generally and the risks specific to Mainland China in particular. These may include, but are not limited to:

- Less liquid and less efficient securities markets;
- Greater price volatility;
- Exchange rate fluctuations and exchange controls;
- Less publicly available information about issuers;
- The imposition of restrictions on the repatriation of funds or other assets out of the country;
- Higher transaction and custody costs and higher settlement risks;
- Difficulties in enforcing contractual obligations,
- Lesser levels of regulation of the securities markets;
- Different accounting, disclosure and reporting requirements;
- More substantial government involvement in the economy;
- Higher rates of inflation,
- Social, political and economic instability; and
- Risk of nationalization or expropriation of assets and risk of war or terrorism.

Investors should be aware that, the Mainland China government has adopted a planned economic system in the past. Since 1978, the Mainland China government has implemented economic reform measures which emphasize decentralization and the utilization of market forces and social progress. However, many of the economic reforms in Mainland China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on securities markets. Also, many laws and regulations in Mainland China are new and therefore untested and there is no certainty as to how they will be applied. They may also be varied in the future.

The economy of Mainland China has experienced significant growth in the past few years, but such growth has been uneven both geographically and among the various sectors of the economy. Moreover, there can be no assurance that such growth can be sustained.

Investments associated with Mainland China will be sensitive to any significant change in political, social or economic policy. Such sensitivity may adversely affect the capital growth and thus the performance of these investments.

13.2. mainland china government's control of currency conversion and future movements in exchange rates

On 21 July 2005, the Mainland China government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate or Renminbi ("RMB") is no longer pegged to the US dollar, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorized by the People's Bank of China, promulgates the central parity rate of RMB against US dollar, Euro, Yen, pound sterling and Hong Kong dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US dollars, Hong Kong dollars or any other foreign currency in the future.

Since July 2005, the appreciation of RMB has begun to accelerate notably. Although the Mainland China government has constantly reiterated its intention to maintain the stability of the RMB, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the Mainland China's trading partners. Therefore, the possibility that the appreciation of RMB will by further accelerated cannot be excluded. On the other

hand, there can be no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the Net Asset Value of the relevant Sub-Fund.

13.3. accounting, auditing and financial reporting standards and practices

Accounting, auditing and financial reporting standards and practices applicable to companies in Mainland China may be different to those standards and practices applicable in other countries. For example, there may be differences in the valuation methods for properties and assets and in the requirements for disclosure of information to investors.

13.4. legal system

The legal system of Mainland China in general and for securities markets in particular has been undergoing a period of rapid change over recent years which may lead to difficulties in interpreting and applying newly evolving regulations. The revised securities law which came in force on 1 March 2020 has made a comprehensive revision to the previous regulatory framework relating to the issuing, listing and trading systems of securities.

The Mainland China government has implemented a number of tax reform policies in recent years. There can be no assurance that the current tax laws and regulations will not be revised or amended in future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of companies in Mainland China.

14. risks associated with the stock connect scheme

The Sub-Funds may invest in eligible China A shares (“China Connect Securities”) through the Shanghai-Hong Kong Stock Connect scheme (“Shanghai Connect”), Shenzhen-Hong Kong Stock Connect scheme (“Shenzhen Connect”) or other similar scheme(s) established under applicable laws and regulations from time to time (the “Stock Connect Scheme”). The Stock Connect Scheme is a securities trading and clearing linked program developed by, amongst others, The Stock Exchange of Hong Kong Limited (“SEHK”), Shanghai Stock Exchange (“SSE”), Shenzhen Stock Exchange (“SZSE”), Hong Kong Securities Clearing Company Limited (“HKSCC”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”), with an aim to achieve mutual stock market access between mainland China and Hong Kong.

For investment in China Connect Securities, the Stock Connect Scheme provides the “Northbound Trading Link”. Under the Northbound Trading Link, investors, through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to place orders to trade China Connect Securities listed on the SSE or SZSE by routing orders to the SSE or SZSE.

Under the Stock Connect Scheme, HKSCC, also a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (“HKEx”), will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

14.1. china connect securities eligible for northbound trading link

China Connect Securities eligible for trading on the Northbound Trading Link, as of the date of this Prospectus, including:

- shares listed on the SSE that are (a) constituent stocks of SSE 180 Index; (b) constituent stocks of SSE 380 Index; (c) China A shares listed on the SSE that are not constituent stocks of the SSE 180 Index or SSE 380 Index, but which have corresponding China H shares accepted for listing and trading on SEHK, provided that: (i) they are not traded on the SSE in currencies other than RMB; and (ii) they are not included in the risk alert board; and
- all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion, and all the SZSE-listed A shares which have corresponding H shares listed on SEHK, provided that: (i) they are not traded on the SZSE in currencies other than RMB; and (ii) they are not included in the risk alert board.

SEHK may include or exclude securities as China Connect Securities and may change the eligibility of shares for trading on the Northbound Trading Link.

14.2. ownership of china connect securities

China Connect Securities acquired by Hong Kong and overseas investors (including the relevant Sub-Funds) through the Stock Connect Scheme are held in ChinaClear and HKSCC is the “nominee holder of such China Connect Securities. Applicable People's Republic of China (“PRC”) rules, regulations and other administration measures and provisions (the “Stock Connect Scheme Rules”) generally provide for the concept of a “nominee holder” and recognise the concept of a “beneficial owner” of securities. In this respect, a nominee holder (being HKSCC in relation to the relevant China Connect Securities) is the person who holds securities on behalf of others (being Hong Kong and overseas investors (including the relevant Sub-Funds) in relation to the relevant China Connect Securities). HKSCC holds the relevant China Connect Securities on behalf of Hong Kong and overseas investors (including the relevant Sub-Funds) who are the beneficial owners of the relevant China Connect Securities. The relevant Stock Connect Scheme Rules provide that investors enjoy the rights and benefits of the China Connect Securities acquired through the Stock Connect Scheme in accordance with applicable laws. Based on the provisions of the Stock Connect Scheme Rules, it is the Hong Kong and overseas investors (including the relevant Sub-Funds) who should be recognised under the laws and regulations of the PRC as having beneficial ownership in the relevant China Connect Securities. Separately, under applicable rules of the Central Clearing and Settlement System (“CCASS”) all proprietary interests in respect of the relevant China Connect Securities held by HKSCC as nominee holder belong to the relevant CCASS participants or their clients (as the case may be).

However, Northbound investors shall exercise their rights in relation to the China Connect Securities through the CCASS clearing participant and HKSCC as the nominee holder. With respect to certain rights and interests of China Connect Securities that can only be exercised via bringing legal actions to mainland China competent courts, it is uncertain whether such rights could be enforced since under the CCASS rules, HKSCC as nominee holder shall have no obligation (although it may provide assistance) to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the China Connect Securities in mainland China or elsewhere. The precise nature and rights of a Northbound investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under mainland China law and the exact nature and methods of enforcement of the rights and interests of Northbound investors under mainland China law are not free from doubt.



14.3. pre-trade checking

Mainland China law provides that SSE/SZSE may reject a sell order if an investor (including the Sub-Funds) does not have sufficient available China A shares in its account. SEHK will apply similar checking on all sell orders of China Connect Securities on the Northbound Trading Link at the level of SEHK's registered exchange participants ("Exchange Participants") to ensure there is no overselling by any individual Exchange Participant ("Pre-Trade Checking").

14.4. quota limitations

Trading under the Stock Connect Scheme will be subject to a daily quota ("Daily Quota"). The Northbound Trading Link will be subject to a separate Daily Quota, which is monitored by SEHK. The Daily Quota limits the maximum net buy value of cross-border trades via the Northbound Trading Link under the Stock Connect Scheme each trading day. The Daily Quota may change from time to time without prior notice and investors should refer to the SEHK website and other information published by the SEHK for up-to-date information.

Once the remaining balance of the Daily Quota applicable to the Northbound Trading Link drops to zero or such Daily Quota is exceeded, new buy orders will be rejected (though investors will be allowed to sell their China Connect Securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Funds' ability to invest in China Connect Securities through the Stock Connect Scheme on a timely basis.

14.5. restriction on day trading

Day (turnaround) trading is not permitted on the China A share market. Therefore, the Sub-Funds buying China Connect Securities on T day can only sell the shares on and after T+1 day subject to any China Connect Rules. This will limit the Sub-Funds' investment options, in particular where a Sub-Fund wishes to sell any China Connect Securities on a particular trading day. Settlement and Pre-Trade Checking requirements may be subject to change from time to time.

14.6. order priority

Where a broker provides the Stock Connect Scheme trading services to its clients, proprietary trades of the broker or its affiliates may be submitted to the trading system independently and without the traders having information on the status of orders received from clients. There is no guarantee that brokers will observe client order priority (as applicable under relevant laws and regulations).

14.7. best execution risk

China Connect Securities trades may, pursuant to the applicable rules in relation to the Stock Connect Scheme, be executed through one or multiple brokers that may be appointed in relation to the Sub-Funds for trading via the Northbound Trading Link. In order to satisfy the Pre-Trade Checking requirements, the Sub-Funds may determine that they can only execute China Connect Securities trades through certain specific broker(s) or Exchange Participant(s) and accordingly such trades may not be executed on a best execution basis.

In addition, the broker may aggregate investment orders with its and its affiliates' own orders and those of its other clients, including the Sub-Funds. In some cases, aggregation may operate to the Sub-Funds' disadvantage and in other cases aggregation may operate to the Sub-Funds' advantage.

14.8. limited off-exchange trading and transfers

"Non-trade" transfers (i.e. off-exchange trading and transfers) are permitted in limited circumstances such as post-trade allocation of China Connect Securities to different funds or sub-funds by fund managers or correction of trade errors.

14.9. clearing, settlement and custody risks

HKSCC and ChinaClear will establish the clearing links between SEHK and SSE and each will become a participant of each other to facilitate clearing and settlement of cross-border trades. The clearing links have been extended to include Shenzhen Connect. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities traded through the Stock Connect Scheme are issued in scripless form, so investors, including the Sub-Funds, will not hold any physical China Connect Securities. Under the Stock Connect Scheme, Hong Kong and overseas investors, including the Sub-Funds, which have acquired China Connect Securities through the Northbound Trading Link, should maintain such China Connect Securities with their brokers' or custodians' stock accounts with CCASS operated by HKSCC.

There are risks involved in dealing with the custodians or brokers who hold the Sub-Funds' investments or settle the Sub-Funds' trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the Sub-Funds would be delayed or prevented from recovering their assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

Due to the a short settlement cycle for China Connect Securities, the CCASS clearing participant acting as custodian may act upon the exclusive instruction of the selling broker duly instructed by the relevant Sub-Fund's Investment Manager and / or the Sub-Investment Managers (if any). For such purpose the Depositary may have to waive, at the risk of the Sub-Fund, its settlement instruction right in respect of CCASS clearing participant acting as its custodian in the market.

Accordingly, the selling brokerage and custody services may be provided by one entity, whereas the Sub-Fund may be exposed to risks resulting from potential conflict of interests which will be managed by appropriate internal procedures.

The Sub-Funds' rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of the China Connect Securities credited to HKSCC's RMB common stock omnibus account with ChinaClear.



14.10. risk of ccass default and chinaclear default

Investors should note that China Connect Securities held with relevant brokers' or custodians' accounts with CCASS may be vulnerable in the event of a default, bankruptcy or liquidation of CCASS. In such case, there is a risk that the Sub-Funds may not have any proprietary rights to the assets deposited in the account with CCASS, and/or the Sub-Funds may become unsecured creditors, ranking *pari passu* with all other unsecured creditors, of CCASS.

Further, the Sub-Funds' assets held with relevant brokers' or custodians' accounts with CCASS may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Funds. In particular, there is a risk that creditors of CCASS may assert that the securities are owned by CCASS and not the Sub-Funds, and that a court may uphold such an assertion, in which case creditors of CCASS could seize assets of the Sub-Funds.

In the event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear will deduct the amount of that shortfall from HKSCC's RMB common stock omnibus account with ChinaClear, such that the Sub-Funds may share in any such shortfall.

ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. Should the remote event of ChinaClear's default (i.e. in SSE and/or SZSE Securities trades) occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation and HKSCC will in turn further distribute the stocks or monies recovered on a pro-rata basis. In that event, the Sub-Funds may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

14.11. participation in corporate actions and shareholders' meetings

Following existing market practice in China, investors engaged in trading of China Connect Securities on the Northbound Trading Link may cast their votes by providing instructions to HKSCC through their China Connect clearing participants. HKSCC will consolidate all the disclosure voting information from CCASS participants and submit them to the relevant issuers or authorised agents or representatives. The Sub-Funds may not be able to exercise the voting rights of the invested company in the same manner as provided in some developed markets.

In addition, any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE/SZSE website and certain officially appointed newspapers. However, SSE/SZSE-listed issuers publish corporate documents in Chinese only, and English translations will not always be available.

HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors (including the Sub-Funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Sub-Funds may not be able to participate in some corporate actions in a timely manner. Further, as HKSCC is the shareholder on record of SSE/SZSE-listed companies (in its capacity as nominee holder for Hong Kong and overseas investors), it can attend shareholders' meeting as shareholder. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC may make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. However, there is no assurance that CCASS participants who participate in the Stock Connect Scheme will provide or arrange for the provision of any voting or other related services.

14.12. short swing profit rule and disclosure of interests

Short Swing Profit Rule Risk

According to the mainland China securities law, a shareholder holding 5% or more, aggregating its positions with other group companies, of the total issued shares ("Major Shareholder") of a mainland China incorporated company which is listed on a stock exchange in mainland China (a "PRC Listco") has to return any profits obtained from the purchase and sale of shares of such PRC Listco if both transactions occur within a six-month period. In the event that the Company becomes a Major Shareholder of a PRC Listco by investing in China Connect Securities via the Stock Connect Scheme, the profits that the Sub-Funds may derive from such investments may be limited, and thus the performance of the Sub-Funds may be adversely affected depending on the Company's size of investment in China Connect Securities through the Stock Connect Scheme.

Disclosure of Interests Risk

Under the mainland China disclosure of interest requirements, in the event the Company becomes a Major Shareholder of a PRC Listco may be subject to the risk that the Company's holdings may have to be reported in aggregate with the holdings of such other persons mentioned above. This may expose the Company's holdings to the public with an adverse impact on the performance of the Sub-Funds.

14.13. foreign ownership limits

Since there are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in one PRC Listco (regardless of the channels through which shares in such company are held, including QFII, RQFII and Shanghai Connect and ShenzhenConnect) based on thresholds as set out under the mainland China regulations (as amended from time to time), the capacity of the Sub-Funds (being foreign investors) to make investments in China Connect Securities will be affected by the relevant threshold limits and the activities of all underlying foreign investors.

It will be difficult in practice to monitor the investments of the underlying foreign investors since an investor may make investment through different permitted channels under mainland China laws.

14.14. operational risk

The Stock Connect Scheme is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the Stock Connect Scheme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.



Further, the “connectivity” in the Stock Connect Scheme requires routing of orders across the border of Hong Kong and mainland China. This requires the development of new information technology systems on the part of SEHK and Exchange Participants (i.e. China Stock Connect System) to be set up by SEHK to which Exchange Participants need to connect). There is no assurance that the systems of SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through the Stock Connect Scheme could be disrupted. The Sub-Funds’ ability to access the China A share market (and hence to pursue its investment strategy) may be adversely affected.

14.15. regulatory risk

The Stock Connect Scheme is a new program to the market and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect Scheme.

14.16. no protection by investor compensation fund

The Sub-Funds’ investments through Northbound Trading Link is currently not covered by the Hong Kong’s Investor Compensation Fund established under the Securities and Futures Ordinance. Therefore the Sub-Funds are exposed to the risks of default of the broker(s) engaged in their trading in China Connect Securities.

14.17. differences in trading day

The Stock Connect Scheme will only operate on days when both mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China market but investors, including the Sub-Funds, cannot carry out any China Connect Securities trading. The Sub-Funds may be subject to a risk of price fluctuations in China Connect Securities during the time when the Stock Connect Scheme is not trading as a result.

14.18. risks relating to suspension of the mainland china stock markets

Securities exchanges in mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges, whereby trading in any China A-Shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make any dealing with the existing positions impossible and would potentially expose the Sub-Funds to losses.

14.19. mainland china tax risk

Under Caishui 2014 No. 81 - The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets jointly issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on 14 November 2014, investors investing in China Connect Securities through the Stock Connect Scheme are exempt from income tax on capital gains derived from the sales of China Connect Securities. This exemption (with respect to investing through Shanghai Connect and/or Shenzhen Connect) has been further extended to 31 December 2022 pursuant to the Announcement of Ministry of Finance 2019 No. 93 (issued on 4 December 2019). However, there is no guarantee on how long the exemption will last thereafter and there can be no certainty that the trading of China Connect Securities will not attract a liability to such tax in the future. The mainland China tax authorities may in the future issue further guidance in this regard and with potential retrospective effect.

In light of the uncertainty as to how gains or income that may be derived from the Sub-Funds’ investments in mainland China will be taxed, the Company reserves the right to provide for withholding tax on such gains or income and withhold tax for the account of the Sub-Funds. Withholding tax may already be withheld at broker/custodian level. Any tax provision, if made, will be reflected in the Net Asset Value of the Sub-Funds at the time of debit or release of such provision and thus will impact the Shares at the time of debit or release of such provision.

15. investments in india

15.1. direct investments in india

In addition to the restrictions set out in this prospectus, direct investments made in India are subject to the relevant Sub-Fund obtaining a certificate of registration as “Foreign Portfolio Investor” (“FPI”) (registration as Category II FPI) from a Designated Depository Participant (“DDP”) on behalf of the Securities and Exchange Board of India (“SEBI”). In addition the Sub-Fund shall obtain a Permanent Account Number (“PAN”) card from the Income Tax Department of India. The FPI Regulations set various limits for investments by FPIs and impose various obligations on the FPIs. All investments made directly in India will be subject to FPI Regulations prevailing at the time of the investment. Investors should note that the registration of the relevant Sub-Fund as a FPI is a condition precedent to any direct investments by this Sub-Fund in the Indian market.

The FPI registration of the Sub-Fund can in particular be suspended or withdrawn by the SEBI in case of non-compliance with the SEBI’s requirements, or in case of any acts or omissions in relation to compliance with any Indian regulations, including applicable laws and regulations relating to anti-money laundering and counter terrorism financing. No assurance can be given that the FPI registration will be maintained for the whole duration of the relevant Sub-Fund. Consequently, investors should note that a suspension or a withdrawal of the FPI registration of the Sub-Fund may lead to a deterioration of the performance of the relevant Sub-Fund, which as a consequence, could have a negative impact on the value of the investors’ participation depending on the prevailing market conditions at that time.

Investors should also note that the Prevention of Money Laundering Act, 2002 (“PMLA”) and the rules framed thereunder in relation to the prevention and control of activities concerning money laundering and confiscation of property derived or involved in money laundering in India require, among other



things, certain entities such as banks, financial institutions and intermediaries dealing in securities (including FPIs) to conduct client identification procedures and to establish the beneficial owner of the assets (“Client ID”) and to maintain a record of client ID and certain kinds of transactions (“Transactions”), such as cash transactions exceeding certain thresholds, suspicious transactions (whether or not made in cash and including credits or debits into or from non-monetary accounts such as security accounts). Accordingly, the FPI regulations have the ability to seek information from the FPI holder on the identity of beneficial owners of the Sub-Fund, hence information regarding investors of the Sub-Fund may be required for disclosure to local supervisory authorities.

As far as permitted under Luxembourg law, information and personal data regarding the Shareholders in the Sub-Fund investing in the Indian market (including, without limitation, any documentation submitted as part of the identification procedure prescribed in relation to their investment in the Sub-Fund) may be disclosed to the DDP, resp. to governmental or regulatory authorities in India upon their request. In particular investors should note that, in order to enable the Sub-Fund to comply with the Indian laws and regulations, any natural person who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest above 25% of the Sub-Fund’s assets is required to disclose its identity to the DDP.

15.2. indirect investments in india

In addition, a Sub-Fund may seek to get exposure to the Indian market by investing indirectly in Indian assets through derivative instruments or structured products. Accordingly, investors should note that, in line with Indian laws and regulations on anti-money laundering, indirect investments made in India may require disclosure of information pertaining to the Sub-Fund, to the Shareholders in and beneficial owners of the Sub-Fund to the relevant Indian supervisory authorities through the counterparty to the derivative instrument or structured product.

Therefore, as far as permitted under Luxembourg law, information and personal data regarding the Shareholders in the Sub-Fund investing indirectly in the Indian market (including, without limitation, any documentation submitted as part of the identification procedure prescribed in relation to their investment in the Sub-Fund) may be disclosed to the counterparty to the derivative instrument or structured product and to governmental or regulatory authorities in India upon their request. In particular, investors should note that, in order to enable the Sub-Fund to comply with the Indian laws and regulations, any natural person who, whether acting alone or together, or through one or more juridical persons, exercises control through ownership or who ultimately has a controlling ownership interest above 25% of the Sub-Fund’s assets is required to disclose its identity to the relevant counterparty to the derivative instrument or structured product and to the local supervisory authorities.

16. investments in russia

Investing in Russia involves particular risks. Risks associated with custody ownership and counterparties are higher than in developed countries. For example, Russian custodial institutions may not have adequate insurance to cover losses due to theft, destruction or default. The Russian securities market may also suffer from impaired efficiency and liquidity, which may exacerbate price volatility and market disruptions.

Those Russian transferable securities and money market instruments that are not listed on stock exchanges or traded on a Regulated Market (within the meaning of the UCI Law), are limited to 10% of the assets of any given Sub-Fund. However, the Russian Trading System and the Moscow Interbank Currency Exchange are recognised as Regulated Markets, and thus investments in transferable securities and money market instruments that are listed or traded on those markets are not limited to 10% of the assets of the relevant Sub-Funds. This does not mean they are free from the risks mentioned in the previous paragraph, or from a generally higher degree of risk than, for example, comparable European or US securities.

17. distressed securities

Some Sub-Funds may seek exposure to securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, involved in or the target of acquisition attempts or tender offers or in companies involved in liquidations, spin-offs, reorganizations or similar transactions or issuers that are involved in bankruptcy or reorganization proceedings. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution the value of which will be less than the initial purchase price. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the ability of the Investment Manager and / or the Sub-Investment Managers (if any) of the relevant Sub-Fund to monitor the performance and to evaluate the advisability of continued investments in specific situations. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

18. generic taxation risks

Information contained in the prospectus has been prepared on the assumption that the legal and tax structures required to conduct the activities of the Company have already been implemented and that all regulatory, tax and other filings have been made and relevant clearances have been obtained.

18.1. change in tax law, practice and interpretation

The law and any other rules or customary practice relating to tax, or its interpretation in relation to the Company, the Sub-Funds, any underlying investments and investors may change during the life of the Company. In particular, both the level and basis of taxation may change. Additionally, the interpretation and application of tax rules and customary practice to the Company, the Sub-Funds, any underlying investments and investors by any taxation authority or court may differ from that anticipated at the date of the prospectus. This could significantly affect returns to investors.

18.2. differences in interpretation of tax law



The interpretation and application of tax legislation to the Company, the Sub-Funds, any underlying investments and investors by any taxation authority or court may differ from that of the Company and its advisors.

18.3. distributions

There can be no assurance that the Company will have sufficient cash flow to permit it to make distributions in the amount necessary to pay all tax liabilities resulting from investors' ownership of Shares.

18.4. tax considerations differ for each investor

There can be no assurance that the Company's tax structure, the structure underlying the Company or any investments will be tax efficient to any particular prospective investor. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations. None of the Company, the Sub-Funds, the Investment Managers and / or the Sub-Investment Managers (if any) or any of their respective affiliates, or any of their officers, directors, employees, advisors or agents, can take any responsibility in this regard.

18.5. tax in underlying jurisdictions

The Company, the structure underlying the Company and the investors may be subject to income or other tax in jurisdictions in which underlying vehicles are located and/or investments are made. Moreover, withholding tax or branch tax may be imposed on earnings of the Company from investments in such jurisdictions. In addition, local tax incurred in such jurisdictions by the Company or vehicles through which it invests may not be creditable to or deductible by the investors in their respective jurisdictions.

18.6. tax structuring generally

No undertaking is given that any investment structure is optimal for each investor or that returns to investors will be unaffected by taxation arising within or in relation to an investment structure. Further, no undertaking is given that amounts distributed or allocated to investors will have specific tax characteristics or that investors will enjoy any specific tax treatment in the jurisdictions in which they are resident or established. There can be no assurance that the Company will be able to reduce its tax liabilities (or tax liabilities arising in connection with any investments made by the Company) to a specified level. Investors may have additional tax liabilities in their country of citizenship or residence or may be entitled to additional tax relief in that country. This could have the effect of increasing or decreasing the post-tax return on their investment in the Company. Under applicable tax laws, investors may be required to take into account their allocable shares of the Company's items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the Company.

18.7. luxembourg tax aspects

Changes to Luxembourg tax laws are currently envisaged (e.g. further to the adoption of anti-tax avoidances directive by the EU on 12 July 2016 and on 29 May 2017). The exact impact of the draft bill (once available) on the Company will have to be assessed. Furthermore, the adoption of the multilateral convention to implement tax treaty related measures to prevent BEPS on 24 November 2016 (the so-called "MLI") may also impact the existing Luxembourg treaty network⁵. The impact on the Company should then be closely monitored.

18.8. common reporting standards (crs)

The OECD launched a CRS to establish the automatic exchange of tax information. Luxembourg has transposed CRS into national law by means of bill of law n. 6858, enacted on 18 December 2015. The financial institutions covered by CRS include custodial institutions, depository institutions, investment entities and specified insurance companies, with some institutions being eligible to be excluded due to presenting a low risk of being used for tax evasion. It might be that an investor is under the obligation to provide documentation as required by the Luxembourg CRS law.

18.9. fatca

FATCA generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and, beginning 1 January 2019, gross proceeds from the sale or other disposal of property that can produce US source interest or dividends ("Withholdable Payments") and (ii) beginning no earlier than 1 January 2019, a portion of certain non-US source payments from non-US entities that have entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("Passthru Payments"). As a general matter, the new rules are designed to require US persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the Internal Revenue Service (the "IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the new rules will subject all Withholdable Payments and Passthru Payments received by a foreign financial institution (an "FFI") to 30% withholding tax (including the share that is allocable to non-US investors) unless the FFI enters into an agreement with the IRS (a "FFI Agreement") or complies with the terms of an applicable intergovernmental agreement (an "IGA"). Under an FFI Agreement or an applicable IGA, an FFI generally will be required to provide information, representations and waivers of non-US law as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA (the "Luxembourg IGA"). Provided the Company adheres to any applicable terms of the Luxembourg IGA, the Company would not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA. Additionally, the Company will not have to enter into an FFI Agreement with the IRS and instead would be required to

⁵ Following Luxembourg's signing of the MLI, the Luxembourg government released its list of reservations and notifications statement. These reservations and notifications will be confirmed upon deposit of the instrument of ratification.

obtain information regarding accountholders and report such information to the Luxembourg government, which, in turn, would report such information to the IRS.

Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

19. Wbs risk

As WBS relies on the valuation of a business accordingly to its potential to generate future cash flows, Sub-Funds investing in WBS are subject to a volatility risk with respect to the target business or the cash flow it generates. In addition, investing in WBS exposes the Sub-Funds to operating risk and default risk with respect to the target business.

20. coronavirus and public health emergencies and other geopolitical risks

An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. Additionally, a serious pandemic or a natural disaster could severely disrupt global, national and/or regional economies. No assurance can be given as to the effect of these events on the value of the Company and its Sub-Funds' investments.

Without limiting the foregoing, as of March 2020, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues for unknown durations. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, oil-related, hospitality, tourism, entertainment and other industries. While governmental agencies and private sector participants seek to mitigate the adverse effects of COVID-19 with such measures, the timing and efficacy of such measures is uncertain. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including the continued spread of COVID-19 or any outbreak of other existing or new epidemic or pandemic diseases, or the threat thereof, could have a significant adverse impact on the Company and its Sub-Funds, their investments, and could adversely affect the Sub-Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Company and its Sub-Funds' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the scale and efficacy of government stimulus measures, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact (a) the value and performance of the Sub-Funds' investments or (b) the Sub-Funds' ability to source, manage and divest investments and the Sub-Funds' ability to achieve their investment objectives, all of which could result in significant losses to the Sub-Funds. The foregoing market conditions may cause the Sub-Funds to write down assets materially as the fair market value of their investments may be reduced in light of a potential or actual economic decline or recession, decline in or lack of consumer confidence or uncertain and volatile market conditions that are difficult to assess or predict. In addition, the operations of the Sub-Funds and Oaktree may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

21. Sustainability risk

While Sustainability Risks are only some of the many factors the Investment Managers and the Sub-Investment Manager will consider in making an investment, there is no guarantee that the Investment Managers and the Sub-Investment Manager will (a) implement or make investments that create positive sustainability impact while it seeks to enhance long-term shareholder value and achieving financial returns and/or (b) will successfully identify and mitigate all material sustainability risks. To the extent that the Investment Managers and the Sub-Investment Manager engage with underlying investments on sustainability-related practices, potential enhancements and risk mitigants, such steps may not achieve the desired financial results, or the market or society may not view any such changes as desirable. Successful engagement on the part of the Investment Managers and the Sub-Investment Manager will depend on their skill in properly identifying and analysing material sustainability and other factors (which may involve qualitative and subjective judgements) and their related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering sustainability qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Investment Managers' and the Sub-Investment Manager's view of certain sustainability-related and other factors and carries the risk that the relevant Sub-Fund may underperform compared to other funds that do not take sustainability-related factors into account. In assessing a particular investment, the Investment Managers and the Sub-Investment Manager may be dependent upon information and data obtained through third parties that may be incomplete, inaccurate or unavailable. Such data gaps could result in the incorrect assessment of a sustainability practice and/or related sustainability risks and opportunities. Sustainability-related practices differ by region, industry and issue and are evolving accordingly, and an investment's sustainability-related practices or the Investment Manager's and the Sub-Investment Manager's assessment of such practices may change over time. Similarly, new sustainability requirements imposed by jurisdictions in which the Investment Managers and the Sub-Investment Manager do business and/or in which the relevant Sub-Fund is marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Sub-Fund or on the Investment Managers and the Sub-Investment Manager. Under such requirements, the Investment Managers and the Sub-Investment Manager may be required to classify themselves or the relevant Sub-Fund against certain criteria, some of which can be open to subjective interpretation. The Investment Managers' and the Sub-Investment Manager's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures by the Investment Managers and the Sub-Investment Manager or the Sub-Fund or it may require new processes to be set up to capture data about the Sub-Fund or its investments, which may lead to additional cost.