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HARVEST GLOBAL FUNDS

Investment company with variable capital with multiple sub-funds

PROSPECTUS

March 2022

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IMPORTANT INFORMATION

THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.

Shares are available for issue on the basis of the information and representations contained in this Prospectus and the relevant Key Investor Information Documents. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

All Classes of Shares of all Sub-Funds that are in issue may be listed on the Luxembourg Stock Exchange or on any other recognised stock exchange. Trading in shares of the Company on a stock exchange will be in accordance with the rules and regulations of the relevant stock exchange and subject to normal brokerage fees.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Investors and applicants should note that under the Foreign Account Tax Compliance Act ("FATCA") details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service ("IRS"), as a safeguard against US tax evasion. As a result, and to discourage non-US financial institutions from staying outside this regime, financial institutions that do not comply with the regime will be subject to a 30% withholding tax penalty with respect to certain US sourced income (including dividends) and gross proceeds from the sale or other disposal of property that can produce US sourced income. In order to protect the shareholders from the effect of any withholding penalty, it is the intention of the Company to be compliant with the requirements of the FATCA regime as this applies to entities such as the Company. For further details please refer to Section 21. "Taxation".

In order to protect the interest of all Shareholders, the Company reserves the right without further notice to restrict or prevent the sale and transfer of shares to persons targeted by FATCA as permitted by the Articles of Incorporation.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for Shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The key investor information documents of each Class of each Sub-Fund, the latest annual and semi-annual reports of the Company (if any), are available at the registered office of the Company and on the following website: www.harvestglobal.uk/hgi/index.php/funds and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Document(s). The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Investors may obtain the Key Investor Information Documents in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

Shareholders are informed that, as a matter of general practice, telephone conversations and instructions may be recorded for the purpose of evidencing transactions or related communication. Such recordings will benefit from professional secrecy and privacy rules and shall not be released to third parties, except in cases where the Registrar and Transfer Agent compelled or entitled to do so by applicable laws and regulations.

DATA PROTECTION:

The Company (the “Controller”) processes information relating to several categories of identified or identifiable natural persons (including, in particular, but not limited to, prospective and existing investors in the Company (“Investors”), their beneficial owners and other natural persons related to Investors) who are hereby referred to as the “Data Subjects”.

This information has been, is and/or will be provided to, obtained by, or collected by or on behalf of, the Controller directly from the Data Subjects or from other sources (including Investors, intermediaries such as distributors, wealth managers and financial advisers, as well as public sources) and is hereby referred to as the “Data”.

Detailed and up-to-date information regarding the processing of Data by the Controller is contained in a privacy notice (the “Privacy Notice”). Investors and any persons contacting, or otherwise dealing directly or indirectly with the Controller or their service providers in relation to the Company are invited to obtain and take the time to carefully consider and read the Privacy Notice.

Any question, enquiry or solicitation regarding the Privacy Notice and the processing of Data by the Controller in general may be addressed to HgiCompliance@hk.jsfund.cn or to the Company's registered address for the attention of the board of directors of the Company.

The Privacy Notice is available and can be accessed or obtained online from the following website: <http://www.harvestglobal.uk/hgi/index.php/funds>.

The Privacy Notice notably sets out and describes in more detail:

- the legal basis for processing the Data; and where applicable the categories of Data processed, from which source the Data originates, and the existence of automated decision-making, including profiling (if any);
- that Data will be disclosed to several categories of recipients; that some of these Processors are processing the Data on behalf of the Controller (the “Processors”); that the Processors include most of the service providers of the Controller; and that the Processors will act as processors on behalf of the Controller and may also process Data as controllers for their own purposes;
- that Data will be processed by the Controller and the Processors for several purposes (the “Purposes”) and that these Purposes include (i) the administration of Investors' shares in the Company, (ii) enabling the Controller and Processors to perform their services for the Company, and (iii) enabling the Controller and Processors to comply with legal, regulatory and/or tax (including FATCA/CRS) obligations;
- that Data may, and where appropriate will, be transferred to countries outside of the European Economic Area such as Hong Kong and, including to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data;
- that any communication (including telephone conversations) (i) may be recorded by the Controller and the Processors and (ii) will be retained for a period of 10 years from the date of the recording;
- that Data will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods;
- that failure to provide certain Data may result in the Investor not being able to subscribe shares or to continue holding shares in the Company;
- that Data Subjects have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

All Investors acknowledge that they have obtained and/or have been provided access to the Privacy Notice; that the Privacy Notice may be amended at the sole discretion of the Controller; that they may be notified of any change to or update of the Privacy Notice by any means that the Controller deems appropriate; that they have authority to provide or cause to provide any Data relating to third-party natural persons to the Controller; that, if necessary and appropriate, they are required to obtain the (explicit) consent of the relevant third-party natural persons whose Data may be processed; that these third-party natural persons have been informed of the processing of the Data by the Controller and the Processors as described herein and their related rights; that these third-party natural persons have been

informed of, and provided with, easy access to the Privacy Notice; that when notified of a change or update of the Privacy Notice they will notify this change to these third-party natural persons accordingly; and that they shall indemnify and hold the Controller harmless from and against any and all adverse consequences arising from any breach of the foregoing.

The Board of Directors draws the investors' attention to the fact that an investor will only be able to fully exercise its investor rights directly against the Company, notably the right to participate in general meetings of shareholders if the investor is itself registered and in its own name in the Company's Register of shareholders maintained by the Registrar and Transfer Agent. 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 should seek advice from their salesman or intermediary on their rights in the Company.

Unless otherwise specified in a Sub-Fund Particular, the Investment Manager is exempt from registration with the US Commodity Futures Trading Commission ("CFTC") and is not registered with the CFTC as a Commodity Pool Operator ("CPO"), in respect of the Company or the Sub-Funds pursuant to an exemption under CFTC Rule 4.13(a)(3) and as a Commodity Trading Adviser pursuant to Rule 4.14(a)(8) for pools (a) whose interests are exempt from registration under the Securities Act and are offered and sold without marketing to the public in the United States, (b) whose participants are limited to certain qualified eligible persons and accredited investors and (c) satisfy the other criteria in CFTC Rule 4.14(a)(8). To maintain the exemptions provided by Rule 4.13(a)(3), the Investment Manager will not (x) commit more than 5% of the liquidation value of each relevant Sub-Fund, taking into account unrealised profits or loss on such positions to establish commodity interest positions or (y) permit the net notional value of each relevant Sub-Fund's commodity interest positions to exceed 100% of the liquidation value of such Sub-Fund, taking into account unrealised profits or loss on such positions. Therefore, unlike a registered CPO, the Investment Manager is not required to deliver a Disclosure Document (as defined in the CFTC Rules) or a certified annual report to investors. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or this Prospectus.

NOTICE TO RESIDENTS OF THE UNITED STATES ONLY:

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or any state or other securities laws, and will be offered and sold for investment only to qualifying recipients of this Prospectus pursuant to the exemption from the registration requirements of the Securities Act provided by Regulation D and Regulation S promulgated under that Act, and in compliance with any applicable state or other securities laws. Neither the Company nor any Sub-Fund will be registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption from them. Investors should be aware that they will be required to bear the financial risks of an investment in the Shares for an indefinite period of time. There will be no public market for the Shares in the United States, and there is no obligation on the part of any person to register the Shares under the Securities Act or any

state securities laws. Neither the U.S. Securities and Exchange Commission (the "SEC") nor the securities commission of any state has passed upon the value of these securities, made any recommendation as to their purchase, approved or disapproved this offering, or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence.

Unless expressly excluded for a specific Sub-Fund in its Sub-Fund Particular, the Company is offering its Shares with respect to the Sub-Funds to certain qualified US investors. In respect of potential US investors, only US Persons (as defined under Section 902(k) of Regulation S under the Securities Act) may invest in a Sub-Fund for whom an investment in such Sub-Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the investment program of the Sub-Fund. The investment practices of the Company and each of the Sub-Funds, by their nature, may be considered to involve a substantial degree of risk. Each US Person must be an "accredited investor" (as defined in Rule 501 under the Securities Act) and a "qualified purchaser" (as defined in Section 2(a)(51) under the Investment Company Act).

Investors who are US Persons are required to notify the Company immediately of any change in their status with respect to the suitability requirements described in this Prospectus and in the US Application Form. Investors are responsible for verifying that they are permitted to own Shares and to ensure that the Shares held will at no time be held for the account or benefit of any US Person who does not meet the suitability requirements as described herein.

US State Securities Law Legends

Prospective investors must carefully consider the applicable legend, required by state securities laws, before deciding whether or not to invest in a Sub-Fund.

In making an investment decision investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. The Shares have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

For Florida residents:

A purchaser (other than an institutional investor described in Section 517.061(7), Fla. Stat.) who accepts an offer to purchase securities exempted from registration by Section 517.061(11), Fla. Stat., may void such purchase within a period of three (3) days after (a) he first tenders consideration to the issuer, its agent or an escrow agent or (b) the availability of that privilege is communicated to the purchaser in Florida (not counting those institutional investors described in Section 517.061(7)).

DIRECTORY

Registered Office of the Company

16, boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Company

- Ms Kerry Wai-Ling Chow, Chief Operating Officer, Harvest Global Investments Limited, Hong Kong
- Romain Emmanuel Marie Denis, Executive Director –Managing Director, FundRock Management Company S.A., Luxembourg
- Mr Gast Juncker, Partner, Elvinger Hoss Prussen, *société anonyme*, Luxembourg
- Mr Sebastien Gervais Emmanuel Gandon, Head of Sales Europe, Harvest Global Investments Limited, Hong Kong

Management Company

FundRock Management Company S.A.
33, rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

Members of the Board of Directors of the Management Company

- Mr Michel Marcel Vareika (Chairman), Independent Non-Executive Director, Luxembourg
- Mr Romain Denis, Executive Director –Managing Director, FundRock Management Company S.A., Luxembourg
- Mrs Tracey McDermott, Independent Non-Executive Director, Luxembourg
- Mr Xavier Parain, Executive Director - Chief Executive Officer, FundRock Management Company S.A., Luxembourg
- Mr Thibault Gregoire, Executive Director - Chief Financial Officer, FundRock Management Company S.A., Luxembourg

Conducting Officers of the Management Company

- Mr Romain Denis, Executive Director - Managing Director
- Mr Emmanuel Nantas, Director – Compliance
- Mr Franck Caramelle, Director – Alternatives Investments

Depository Bank

HSBC Continental Europe, Luxembourg
16, boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg

Administration, Domiciliary, Corporate, Registrar and Transfer Agent

HSBC Continental Europe, Luxembourg
16, boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg

Investment Manager

Harvest Global Investments Limited
31/F One Exchange Square
8 Connaught Place, Central
Hong Kong

Global Distributor

Harvest Global Investments Limited
31/F One Exchange Square
8 Connaught Place, Central
Hong Kong

Auditors

PricewaterhouseCoopers, *société coopérative*
2, rue Gerhard Mercator,
L-2182 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers as to matters of Luxembourg law

Elvinger Hoss Prussen
société anonyme
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

GLOSSARY

Unless otherwise specified in a Sub-Fund Particular:

1915 Law	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
2010 Law	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
Administration Agent	HSBC Continental Europe, Luxembourg, acting in its capacity as administration agent of the Company.
Application Form	The application form available at the registered office of the Company and from distributors (if any).
Articles of Incorporation	The articles of incorporation of the Company, as may be amended from time to time.
Auditors	PricewaterhouseCoopers, <i>société coopérative</i> .
AUD	The official currency of Australia (Australian Dollar).
Base Currency	The base currency of a Sub-Fund, as disclosed in the relevant Sub-Fund Particular.
Board of Directors	The board of directors of the Company. Any reference to the Board of Directors includes a reference to its duly authorised agents or delegates.
Bond Connect	The mutual access between the Hong Kong and PRC bond markets through a cross-border trading platform. Under the northbound trading of Bond Connect, eligible foreign investors can invest in the CIBM.
Business Day	Any full day on which the banks are open for normal business banking in Luxembourg and other relevant jurisdictions as further detailed in the relevant Sub-Fund Particular.
CAAP	Means a China A-Shares Access Product, i.e. a security (such as a note, warrant, option, participation certificate) linked to a China A-Share or portfolios of China A-Shares which aims to synthetically replicate the economic benefit of the relevant China A-Share or portfolios of China A-Shares.
CHF	The official currency of Switzerland and Liechtenstein (Swiss franc).

China A-Shares	Shares issued by companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in Renminbi and available for investment by domestic (Chinese) investors, holders of QFI, investors investing through the Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and/or any other similar schemes and foreign strategic investors approved by the CSRC.
China H-Shares	Equity securities of Chinese companies listed and traded in Hong Kong Stock Exchange or other foreign exchanges.
China or PRC or Mainland China	The People's Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan) and the term "Chinese" shall be construed accordingly.
CIBM	The China Interbank Bond Market.
Class(es)	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described in the relevant Sub-Fund Particular.
Company	Harvest Global Funds.
CSRC	The China Securities Regulatory Commission.
CSSF	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
Depository	HSBC Continental Europe, Luxembourg, acting in its capacity as depository of the Company.
Directors	The members of the Board of Directors.
Eligible State	Any EU Member State or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
Emerging Markets	Emerging markets are those markets in countries that, at the time a Sub-Fund invests in the related security, are classified as an emerging or developing economy by any supranational organization or related entities, or is considered an emerging market country for purposes of constructing major emerging market securities indexes.

EU	The European Union.
EUR	The legal currency of the European Union (the "Euro").
G8	Canada, France, Germany, Italy, Japan, Russia (membership currently suspended), United Kingdom, United States of America.
G20	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States of America and the EU.
GBP	The official currency of the United Kingdom (British Pound).
Global Distributor	Harvest Global Investments Limited.
Grand-Ducal Regulation of 2008	The Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investments.
HKD	The official currency of Hong Kong (Hong Kong Dollar).
Hong Kong	The Hong Kong Special Administrative Region of the PRC.
Institutional Investor(s)	Institutional investor(s) within the meaning of article 174 of the 2010 Law.
Investment Manager	Harvest Global Investments Limited.
JPY	The official currency of Japan (Japanese Yen).
Luxembourg	The Grand Duchy of Luxembourg.
Management Company	FundRock Management Company S.A.
Mémorial	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg's legal gazette which was replaced by RESA on 1 June 2016.
Money Market Instruments	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

Net Asset Value	The net asset value of any Class within any Sub-Fund or of any Sub-Fund determined in accordance with the relevant provisions detailed in Section 11. "Net Asset Value and dealing prices".
OECD	Organisation for Economic Co-operation and Development.
Other UCI	An undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
PRC	The People's Republic of China.
PRC Custodian	HSBC Bank (China) Company Limited.
PRC Stock Exchanges	The Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange that may open in the PRC in the future.
QFI	A qualified foreign investor under the QFI Regulations.
QFI Eligible Securities	Securities and investments permitted to be held or made by a QFI under the QFI Regulations.
QFI Custodian	Where a Sub-Fund invests in Mainland China through the QFI regime, such local custodian(s) hold(s) securities and pursuant to the PRC regulations.
QFI Regulations	The laws and regulations governing the establishment and operation of the qualified foreign institutional investors and Renminbi qualified foreign institutional investors in the PRC, as may be promulgated and/or amended from time to time.
Reference Currency	The Reference Currency of a Class as disclosed in the relevant Sub-Fund Particular.
Register	The register of shareholders of the Company.
Registrar and Transfer Agent	HSBC Continental Europe, Luxembourg, acting as registrar and transfer agent of the Company.
Regulated Market	A regulated market as defined in the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (MiFID), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency

requirements laid down by MiFID and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.

RESA	<i>Recueil Electronique des Sociétés et Associations</i> , Luxembourg's central electronic platform of official publication.
RMB	Renminbi, the official currency of the People's Republic of China, is used to denote the Chinese currency traded in the onshore and the offshore markets (primarily in the Hong Kong SAR) - to be read as a reference to onshore Renminbi (CNY) and/or offshore Renminbi (CNH) as the context requires. For clarification purposes, all references to RMB in the name of a Class or in the Reference Currency and/or Base Currency must be understood as a reference to offshore RMB (CNH).
SAFE	The PRC State Administration of Foreign Exchange.
SGD	The official currency of Singapore (Singapore dollar).
Share	A share of no par value of any Class of any Sub-Fund in the Company
Shareholder	A person recorded as a holder of Shares in the Register.
Sub-Fund	A specific portfolio of assets and liabilities within the Company having its own net asset value and represented by one or more Classes.
Sub-Fund Particulars	Part of the Prospectus containing information relating to each Sub-Fund.
Total Return Swap	<p>A financial derivative instrument in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.</p> <p>The Total Return Swap may be applied to Transferable Securities and cash held by the relevant Sub-Fund.</p>
Transferable Securities	<p>Shall mean:</p> <ul style="list-style-type: none">(a) shares and other securities equivalent to shares,(b) bonds and other debt instruments,(c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.
UCITS	An undertaking for collective investment in Transferable Securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.

US Person	Shall have the meaning ascribed to it under Section 902(k) of Regulation S under the Securities Act.
USD	The official currency of the United States of America (United States Dollar).
Valuation Day	Any day on which the Net Asset Value is calculated as detailed for each Sub-Fund, in the relevant Sub-Fund Particular.

GENERAL PART

1. STRUCTURE OF THE COMPANY

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Particular. Within each Sub-Fund, different Classes with characteristics detailed in the relevant Sub-Fund Particular may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

The Company was incorporated for an unlimited period in Luxembourg on 24 January 2017. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000. This minimum must be reached within a period of 6 months following the authorisation of the Company as a UCITS under the 2010 Law.

The Company was incorporated with an initial capital of EUR 30,000, divided into 300 fully paid up shares.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of commerce and companies) under number B 212314. The Articles of Incorporation were deposited with the *Registre de Commerce et des Sociétés, Luxembourg* and were published in the RESA on 15 February 2017.

The reference currency of the Company is the USD and all the financial statements of the Company will be presented in USD.

2. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS

The Company seeks to provide a range of Sub-Fund(s) with the purpose of spreading investment risk and satisfying the requirements of investors seeking to gain capital growth as detailed for each Sub-Fund in the relevant Sub-Fund Particular.

In pursuing the investment objectives of the Sub-Funds, the Directors at all times seek to maintain an appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of Shares under normal circumstances may be made without undue delay upon request by the Shareholders.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the Shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the Shares to diminish or to increase.

3. RISK MANAGEMENT PROCESS

In accordance with the 2010 Law and the applicable regulations, in particular Circular CSSF 11/512, the Management Company, on behalf of the Company will employ 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 each Sub-Fund. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Unless otherwise expressly stated in the relevant Sub-Fund Particulars, the commitment approach will be applied to measure the Sub-Funds' risk exposure.

4. LIQUIDITY RISK MANAGEMENT PROCESS

The Management Company has established, implemented and consistently applied a liquidity management procedure and has put in place prudent and rigorous liquidity management procedures which enable it to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity thresholds so that the Sub-Fund can normally meet at all times its obligation to redeem its Share at the request of Shareholders.

Qualitative and quantitative measures are used to monitor portfolios and securities to seek to ensure investment portfolios are appropriately liquid and that Sub-Funds are able to honour Shareholders' redemption requests. In addition, Shareholders' concentrations are regularly reviewed to assess their potential impact on liquidity of the Sub-Funds.

Sub-Funds are reviewed individually with respect to liquidity risks.

The Management Company's liquidity management procedure takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base.

The liquidity risks are further described in the section "Liquidity Risk" under the heading "Risk considerations" in the Prospectus.

The Board of Directors, or the Management Company as appropriate may also make use, among others of the following to manage liquidity risk:

As described in the section "Swing Pricing" under the heading "12.1. Calculation of Net Asset Value", the Net Asset Value of a Sub-Fund may be adjusted on a Valuation Day when the Sub-Fund experiences significant net subscriptions or redemptions.

As described under the heading "8.5. Deferral of redemptions", if the Company receives requests on one Valuation Day for net redemptions (and switches into another Sub-Fund) of more than 10% of the Net Asset Value of the relevant Sub-Fund, the Company, in its sole discretion, may elect to reduce each redemption (and switch) request pro rata such that the aggregate amount redeemed in that Valuation Day will not exceed 10% of the Net Asset Value of the relevant Sub-Fund.

As described under the heading "12.2. Temporary suspension", the Company may temporarily suspend the calculation of the Net Asset Value of one or more Sub-Funds and the issue, redemption and switching of Shares.

As described under the heading "8.2 Settlement", the Company may, if the Board of Directors so determines, satisfy payment of the redemption price to any Shareholder requesting redemption of any of his Shares (but subject to the request of the Shareholder) in kind by allocating to the Shareholder investments from the portfolio of the relevant Sub-Fund equal in value to the value of the holding to be redeemed, subject to a special report from the company's Auditors.

As described under the headings "8.2 Settlement" and "10. Redemption" in Sub-Fund Particulars, the Company will paid the redemption proceeds in the Reference Currency and within the timeframe provided for in the relevant Sub-Fund Particulars and under exceptional circumstances, the Company will pay the redemption proceeds as soon as reasonably practicable, without interest. The Board of Directors, with the consent of the Shareholder, may also pay the redemption proceeds in any other freely convertible currency at the risk of the Shareholder. The currency conversion will be borne by the Shareholder.

5. RISK CONSIDERATIONS

Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to below. Potential investors should read the Prospectus in its entirety, read the relevant Key Investor Information Document and consult with their legal, tax and financial advisors prior to making a decision to invest.

There can be no assurance that the Sub-Fund(s) of the Company will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

Business Risk

There can be no assurance that the Company or any Sub-Fund will achieve its investment objective. There is no operating history by which to evaluate their likely future performance. The investment

results of the Company or any Sub-Fund are reliant upon the success of the Investment Manager and the performance of the markets the Sub-Funds invest in.

Reliance on the Investment Manager

The Investment Manager will have the responsibility for each Sub-Fund's investment activities. Investors must rely on the judgment of the Investment Manager has complete discretionary power in exercising this responsibility. In addition, since the performance of a Sub-Fund is wholly dependent on the skills of the Investment Manager if the services of the Investment Manager or its principals were to become unavailable, such unavailability might have a detrimental effect on the relevant Sub-Fund and its performance.

Moreover, there can be no assurance that the Investment Manager of any Sub-Fund will successfully implement the strategy of the relevant Sub-Fund.

Market risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments in securities may be affected by uncertainties such as international, political and economic and general financial market developments or changes in government policies, especially in countries where the investments are based.

Foreign exchange risk and currency hedging risk

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency of the relevant Sub-Fund or to the Reference Currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or the Reference Currency) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the Reference Currency) the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Sub-Fund / Class may engage in foreign currency transactions in order to hedge against currency exchange risk. However, there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or the Reference Currency). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

Hedging transactions may consist of foreign exchange forward contracts or other types of derivative contracts which reflect a foreign exchange hedging exposure that is "rolled" on a periodic basis. In such a situation, the hedging transactions may not be adjusted for the foreign exchange exposure arising from the performance of a Sub-Fund's portfolio between two consecutive roll dates which may reduce the effectiveness of the hedge and may lead to gains or losses to investors. Investors should note that there may be costs associated with the use of foreign exchange hedging transactions which may be borne by the relevant Sub-Fund/Class.

Given that there is no legal segregation of liabilities between Classes, there may be a remote risk that, under certain circumstances, hedging transactions in relation to a hedged Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Sub-Fund.

Shareholders should note that it will not be possible to always fully hedge the total Net Asset Value of hedged Classes against currency fluctuations, however, over-hedged positions will not exceed 105% of the Net Asset Value of the currency hedged Class and under-hedged positions will not fall below 95% of the Net Asset Value of the currency hedged Class. The hedged positions will be kept under review on an ongoing basis to ensure that over-hedged or under-hedged positions do not exceed/fall below the levels set out above and are not carried forward from month to month. The Net Asset Value per shares of the hedged Class does not necessarily develop in the same way as that of the Classes in the Base Currency of the Sub-Fund. It is not the intention of the Board of Directors to use hedging arrangements to generate a further profit for the hedged Class.

Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes.

Equity investment risks

A Sub-Fund may invest directly or indirectly in equity securities. Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down as well as up. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Sub-Fund to losses.

Risks of investing in other funds

A Sub-Fund may invest in underlying funds which are not regulated by the CSSF. In addition to the expenses and charges charged by such Sub-Fund, investors should note that there are additional fees involved when investing into these underlying funds, including fees and expenses charged by investment manager of these underlying funds as well as fees payable by the relevant Sub-Fund during its subscription to or redemption from these underlying funds. Furthermore, there can be no assurance

that 1) the liquidity of the underlying funds will always be sufficient to meet redemption request as and when made; and 2) investment objective and strategy will be successfully achieved despite the due diligence procedures undertaken by the Investment Manager and the selection and monitoring of the underlying funds. These factors may have adverse impact on the relevant Sub-Fund and its investors. If a Sub-Fund invests in an underlying fund managed by the Investment Manager or connected person of the Investment Manager, potential conflict of interest may arise. Please refer to the section headed "*Conflicts of Interest*" for details under the circumstances.

Debt Securities

- *Credit ratings risk*

The ratings of debt securities by Moody's Investor Services, Standard & Poor's and Fitch's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating of an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

- *Lower rated, below investment grade and unrated securities risk*

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

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

- *Valuation risk*

The value of debt securities that a Sub-Fund invests may be subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt securities are not priced properly. Valuations of quoted or listed debt securities are primarily based on the valuations from independent third party sources where the prices are available. However, in the case where independent pricing information may not be available such as in extreme market conditions or break down in the systems of third party sources, the value of such debt securities may be based on certification by such firm or institution making a market in such investment as may be

appointed for such purpose by the Investment Manager in consultation with the Board of Directors. Valuations in such circumstance may involve uncertainty and judgemental determination.

In the event of adverse market conditions where it is not possible to obtain any reference quotation from the market at the relevant time of valuation, the latest available quotations of the relevant debt securities may be used to estimate the fair market value. Alternatively, the Board of Directors may permit some other method of valuation to be used to estimate the fair market value of such debt securities including the use of quotation of other debt securities with very similar attributes. Such valuation methodology may not equal to the actual liquidation price due to liquidity and size constraints. If valuation is proven to be incorrect, this will affect the Net Asset Value calculation of the relevant Sub-Fund.

The valuation of unlisted debt securities is more difficult to calculate than listed debt securities. Normally, unlisted debt securities are valued at their initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other acquisition expenses) provided that the value of any such unlisted debt securities shall be determined on a regular basis by a professional person approved by the Board of Directors as qualified to value such unlisted debt securities. Such professional person may value the unlisted debt securities by reference to the prices of other comparable unlisted debt securities. The trading of unlisted debt securities may not be transparent and the prices of unlisted debt securities may not be openly displayed. There is a risk that such professional person is not aware of all the trading in unlisted debt securities and may use prices which may be historical only and may not reflect recent trading in the debt securities concerned. In such circumstance, the valuation of the unlisted debt securities may not be accurate as a result of incomplete price information. This would have impact on the calculation of the Net Asset Value of the relevant Sub-Fund.

- *Unlisted debt securities risk*

The debt securities in which a Sub-Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the relevant Sub-Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the relevant Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the relevant Sub-Fund may suffer losses in trading such securities.

- *Interest rate risk*

A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

- *Credit risk*

A Sub-Fund which has exposure to bonds and other fixed income securities is 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, making it more difficult to sell. Sub-Fund(s) investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

More generally, changes in the financial condition of an issuer or counterparty, changes in specific economic, social or political conditions that affect a particular type of security or other instrument or an issuer, and changes in economic, social or political conditions generally can increase the risk of default by an issuer or counterparty, which can affect a security's or other instrument's credit quality or value and an issuer's or counterparty's ability to pay interest and principal when due. The values of lower-quality debt securities tend to be particularly sensitive to these changes. The values of securities also may decline for a number of other reasons that relate directly to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services, as well as the historical and prospective earnings of the issuer and the value of its assets.

- *Downgrading Risk*

Investment Grade bonds may be subject to the risk of being downgraded to non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Management Company or the Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund.

Liquidity risk

A Sub-Fund is exposed to the risk that a particular investment, position or collateral cannot be easily unwound or offset due to insufficient market depth, market disruption and/or extreme market conditions. A Sub-Fund's investment in illiquid securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk (such as but not limited to Asset Backed Securities and Mortgage Backed Securities, collateralised debt obligations, high yield and high risk bonds) tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

The attention of the Shareholders is drawn to the fact that in extreme market situations the liquidity of the securities in which a Sub-Fund may invest may be temporarily limited. The Investment Manager will however ensure that the overall liquidity of the portfolio is ensured at any time.

The Management Company operates a liquidity risk management process effective in identifying, measuring, monitoring and controlling the liquidity risk for all assets classes including, but not limited to financial derivative instruments as detailed in Section 4. Liquidity Risk Management Process above.

Risks of investing in IPO securities

A Sub-Fund may invest in initial public offers ("IPOs") securities. The prices of securities involved in initial public offers ("IPOs") are often subject to greater and more unpredictable price changes than more established securities. There is the risk that there are inadequate trading opportunities generally or allocations for IPOs which the Investment Manager wishes or is able to participate in. Furthermore, the liquidity and volatility risks associated with investments or potential investments in IPO securities may be difficult to assess, due to the lack of trading history of such IPO securities. These risks may have adverse impact on the relevant Sub-Fund and its investors.

Volatility of financial derivative instruments

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Futures and options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. hedging and efficient portfolio management). Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Please also refer to Leverage Risk below.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

OTC financial derivative transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, Total Return Swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Sub-Fund entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Sub-Fund will not sustain losses as a result.

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

Risk of Swap Transactions

To the extent that a Sub-Fund enters into a swap transaction (which may include a Total Return Swap), investors should be aware that in a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular pre-determined investments or instruments.

Swaps contracts can be individually traded and structured to include exposure to different types of investments or market factors. Depending on their structure, these swap operations can increase or decrease the exposure of a Sub-Fund to strategies, shares, short- or long-term interest rates, foreign currency values, borrowing rates or other factors. Swaps can be of different forms, and are known under different names; they can increase or decrease the overall volatility of a Sub-Fund, depending on how they are used. The main factor that determines the performance of a swap contract is the movement in the price of the underlying investment, specific interest rates, currencies and other factors used to calculate the payment due by and to the counterparty. If a swap contract requires payment by a Sub-Fund, the latter must at all times be able to honour said payment. Moreover, if the counterparty loses its creditworthiness, the value of the swap contract entered into with this counterparty can be expected to fall, entailing potential losses for a Sub-Fund.

Swap transactions are subject to the risk that the swap counterparty may default on its obligations. If such a default were to occur the Sub-Funds would, however, have contractual remedies pursuant to the relevant OTC swap transaction. Investors should be aware that such remedies may be subject to bankruptcy and insolvency laws which could affect a Sub-Fund's rights as a creditor and as a result a Sub-Fund may for example not receive the net amount of payments that it contractually is entitled to receive on termination of the OTC swap transaction where the swap counterparty is insolvent or otherwise unable to pay the amount due. The net counterparty risk exposure each Sub-Fund may have with respect to a single swap counterparty, expressed as a percentage (the "Percentage Exposure") (i) is calculated by reference to this Sub-Fund's Net Asset Value, (ii) may take into account certain mitigating techniques (such as remittance of collateral) and (iii) cannot exceed 5 % or 10 % depending on the status of the swap counterparty, in accordance with and pursuant to the applicable regulations (please refer to Appendix 1 for more details on the maximum Percentage Exposure. Investors should nevertheless be aware that the actual loss suffered as a result of the swap counterparty's default may exceed the amount equal to the product of the Percentage Exposure multiplied by the Net Asset Value, even where arrangements have been taken to reduce the Percentage Exposure to nil. As a matter of illustration, there is a risk that the realised value of collateral received by a Sub-Fund may prove less than the value of the same collateral which was taken into account as an element to calculate the Percentage Exposure, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity of the market in which the collateral is traded. Any potential investor should therefore understand and evaluate the swap counterparty credit risk prior to making any investment.

Total Return Swaps

A Sub-Fund may utilise Total Return Swaps to, inter alia, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying asset of the Total Return Swap.

Total Return Swaps expose the Sub-Funds to counterparty risk. In addition, the use of Total Return Swaps exposes the Sub-Funds to market risk. For example, if the underlying reference asset is an equity, its price may rise or fall. This may have a positive or negative impact on returns subject to whether the Sub-Funds has gained long or short exposure to the reference asset through the Total Return Swap.

Credit default swap risk

To the extent that a Sub-Fund enters into a credit default swap, investors should be aware that a credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the

swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and a Sub-Fund does not hold the underlying reference obligation, there may be a market risk as the relevant Sub-Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the relevant Sub-Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Collateral Risk

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

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

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

As a Sub-Fund may reinvest cash collateral it receives, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance the Sub-Fund would be required to cover the shortfall.

As collateral will take the form of cash or certain financial instruments, market risk is also relevant.

Collateral received by a Sub-Fund may be held either by the Depositary or by a third party custodian. In either case there may be a risk of loss where such assets are held in custody resulting from events such as the insolvency or negligence of the Depositary or a sub-custodian.

Counterparty risk

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

For example, the Company on behalf of the Sub-Fund may enter into forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a Sub-Fund involve credit risk that could result in a loss of the Sub-Fund's entire investment as the Sub-Fund may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

Legal risk

There is a risk that agreements and financial derivative instruments are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, a Sub-Fund may be required to cover any losses incurred.

Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

Depositary Risk

The assets of the Company and its Sub-Funds shall be held in custody by the Depositary and its sub-custodian(s) and/or any other custodians, prime broker and/or broker-dealers appointed by the Company. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant depositary, sub-custodian(s), other custodian / third party bank, prime broker and/or broker dealer's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganization proceedings of the depositary, sub-custodian(s), other custodian / third party bank, prime broker or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the relevant depositary, sub-custodian(s), other custodian / third party bank, prime broker or the broker dealer, the Company's claim might not be privileged and may only rank *pari passu* with all other unsecured creditors' claims. The Company and/or its Sub-Funds might not be able to recover all of their assets in full.

Emerging Markets Risks

The Company may invest in eligible assets which are listed on the securities exchanges of Emerging Markets countries, as well as investing in companies which are located or have operations within such countries. Emerging Markets are typically more volatile than developed markets and can result in increased risk for investors.

In Emerging Markets, the legal, regulatory and operational framework may not be well developed, which means that investments in these markets may carry higher risks than investments in markets with well-established legal, regulatory and operational frameworks. The risks of investing in Emerging Markets include those risks listed below.

(a) Political and legal risks

The Company has greater exposure to political risks, country risks and legal and compliance risks. In Emerging Markets, investor protection legislation or protection available through other legal avenues (for example concepts of fiduciary duties) may be limited, non-existent, or difficult to enforce in practice. Obligations on companies to publish financial information, or to publish such information in accordance with recognized accounting standards, may also be limited. Governments may make or invoke policy or regulation that changes the established rights of private sector companies. There is a further risk that a government may prevent or limit the repatriation of foreign capital or the availability of legal redress through the courts. There is also the risk of government intervention in the operation of financial markets, for instance a forced closure of markets.

(b) Market, valuation and settlement risks

Eligible markets which are securities exchanges in Emerging Markets are likely to be less liquid and less efficient than Regulated Markets. Eligible assets traded on such exchanges can be more difficult to sell and value. Shareholder registers may not be properly maintained and ownership of or interests in such eligible assets may not be (or remain) fully protected. Registration of ownership of securities may be subject to delays and during the period of delay it may be difficult to prove beneficial ownership of the securities. In some market, the concept of beneficial ownership is not recognized or is not well developed.

Custody arrangements for such securities may not be well developed. Settlements may still take place in physical rather than dematerialized form. In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

A Sub-Fund may invest in securities in jurisdictions (including China) which impose limitations or restrictions on foreign ownership or holdings. In such circumstances, the relevant Sub-Fund may be required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax

treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers.

(c) Taxation risks

Investors should note that tax law and practice in Emerging Market countries is less established than in countries with Regulated Markets. It is therefore possible that current laws, interpretation, guidance, or practices relating to taxation may change, potentially with retrospective effect. This may mean that the Company may have to pay additional taxes or have sales proceeds withheld for tax reasons in circumstances which cannot be anticipated at the time when investments are made, valued or disposed of.

Effect of substantial withdrawals

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

Risk of liquidation

A Sub-Fund may be terminated in certain circumstances which are summarised under the section "Liquidation of the Company/ Termination and Amalgamation of Sub-Funds". In the event of the termination of a Sub-Fund, such Sub-Fund would have to distribute to the shareholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund will be worth less than the initial cost of acquiring such investments, resulting in a loss to the shareholders. Moreover, any organisational expenses (such as establishment costs) with regard to the relevant Sub-Fund that had not yet been fully amortised would be debited against the Sub-Fund's assets at that time.

Political and country risks

The value of the Company's assets may be affected by uncertainties such as political developments, economic and social changes, changes in government policies, cession and war, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

Small Cap Risk

Securities of small cap companies tend to be traded less frequently and in smaller volumes than those of large cap companies. As a result, the prices of shares of small cap companies tend to be less stable than those of large cap companies. Their value may rise and fall more sharply than other securities, and they may be more difficult to buy and sell.

Specialization Risk

Some Sub-Funds specialize by investing in a particular sector of the economy or part of the world or by using a specific investment style or approach. Specialization allows a Sub-Fund to focus on a specific investment approach, which can boost returns if the particular sector, country or investment style is in favour. However, if the particular sector, country or investment style is out of favour, the value of the Sub-Fund may underperform relative to less specialized investments. Sub-Funds that specialize tend to be less diversified, but may add diversification benefits to portfolios that do not otherwise have exposure to this specialization.

Large Shareholder Risk

Shares may be purchased or redeemed by investors holding a large portion of the issued and outstanding Shares of a Sub-Fund ("Large Shareholders"). If a Large Shareholder redeems all or a portion of its investment in the Sub-Fund, the Sub-Fund may have to incur transaction costs in the process of making the redemption. Conversely, if a Large Shareholder makes a significant purchase in the Sub-Fund, the Sub-Fund may have to hold a relatively large position in cash for a period of time while the Investment Manager finds suitable investments. This may negatively impact the performance of the Sub-Fund.

Active Trading Risks

Frequent trading will result in a higher-than-average portfolio turnover ratio which increases trading expenses, may result in increased financial transaction taxes (if applicable), and may generate higher taxable capital gains (if applicable).

Risks Involving Transfer of Money

The Sub-Funds may invest in overseas markets and thus, investors may find restrictions on transfer of dividend income and capital gains from the Company and on selling and buying activities. The Sub-Funds, therefore, may be adversely affected by application of investment restrictions of the countries invested in. In addition, delays in or denial of government approval of transfer of money may also arise. Payment of redemption proceeds may be delayed due to changes in the global financial landscape and delays in international settlement process.

Suspension of Share dealings

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see Section 12.2 "Temporary suspension").

Declining Performance with Asset Growth

Trading large positions may adversely affect prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Investment Manager to modify its investment decisions for relevant Sub-Fund because the Investment Manager cannot deploy all the assets in the manner it desires.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Company's investments. A Shareholder may not fully recover its/her/his initial investment when he chooses to redeem its/her/his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder. It should be remembered that the value of the Shares and the income (if any) derived from them can go down as well as up.

Potential Conflicts of Interest

The Investment Manager may conduct transactions in which the Investment Manager has, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to the Company. The Investment Manager shall not be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Manager's fees, unless otherwise provided, be abated. Please also refer to Section 21. Conflict of interests.

Regulatory Risk

The Company is domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-Funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-Funds may be subject to more restrictive regulatory regimes. In such cases these Sub-Funds will abide by these more restrictive requirements. This may prevent these Sub-Funds from making the fullest possible use of the investment limits.

Regulatory Reforms

The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Company and/or the Sub-Funds and their respective investment objective and policy may be affected by any future changes in the legal and regulatory environment. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent the Sub-Fund from entering into transactions or service contracts with certain entities. This may impair the ability of all or some of the Sub-Funds to carry out their respective investment objectives and policies. Compliance with such new or modified laws, rules and regulations may also increase all or some of the Sub-Funds'

expenses and may require the restructuring of all or some of the Sub-Funds with a view to complying with the new rules. Such restructuring (if possible) may entail restructuring costs. When a restructuring is not feasible, a termination of affected Sub-Funds may be required.

Operational Risk

The Company's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Company and/or the Management Company follow a due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of shares) or other disruptions.

Trade execution and selection of brokers and dealers

The trading techniques used by the Sub-Funds may require the rapid and efficient execution of transactions. Inefficient executions can result in a Sub-Fund being unable to exploit the small pricing differentials that the Investment Manager may seek to exploit and impact, possibly materially, the profitability of a Sub-Fund's positions.

The policy of the Investment Manager regarding purchases and sales for its portfolios is that primary consideration will be given to obtaining the most favourable execution of the transactions in seeking to implement the investment strategy of the relevant Sub-Fund. The Investment Manager will effect transactions with those brokers, dealers, banks and other counterparties (collectively, "brokers and dealers") which the Investment Manager believes provide the most favourable net prices and who are capable of providing efficient executions. Additional considerations include the ability of brokers and dealers to provide internal and external research services, special execution capabilities, clearance, settlement or other services including communications and data processing and other similar equipment and services and the furnishing of stock quotation and other similar information. The Investment Manager also may cause a broker or dealer who provides certain services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission or spread another broker or dealer would have charged for effecting that transaction ("soft commissions"). The Investment Manager is only entitled to these soft commissions in the following circumstances: (i) the Investment Manager must act at all times in the Sub-Fund's best interests whenever it concludes such arrangements; (ii) the services provided must relate directly to the Investment Manager's activities; (iii) brokerage fees on transactions affecting the Sub-Fund's portfolio may only be attributed by the Investment Manager to dealer-brokers that are legal entities and not to private individuals, and (iv) the Investment Manager must provide the Board of Directors with reports concerning the soft commission arrangements concluded with the brokers, including details of the type of services provided. Payment of any soft commissions will be noted in the Company's financial statements.

Leverage

The Sub-Funds may achieve some leverage through the use of options, synthetic short sales, swaps, credit default swaps, forwards and other financial derivative instruments for the purpose of making investments. The use of leverage creates special risks and may significantly increase the Sub-Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, exposes a Sub-Fund to greater capital risk than an unlevered vehicle.

Sub-Funds quantifying global exposure using a Value-at-Risk (VaR) approach disclose their expected level of leverage in the relevant Sub-Fund Particular.

The expected level of leverage is an indicator and not a regulatory limit. The Sub-Funds' levels of leverage may be higher than this expected level as long as the Sub-Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Sub-Funds. It also does not represent the level of potential capital losses that a Sub-Fund may incur.

The level of leverage is calculated as (i) the sum of notionals of all financial derivative contracts entered into by the Sub-Fund expressed as a percentage of the Sub-Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

Borrowing Risks

The Investment Manager may borrow for the account of a Sub-Fund for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Sub-Fund within the limited permitted by the CSSF. Borrowing involves an increased degree of financial risk and may increase the exposure of the relevant Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that the relevant Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time

Foreign securities

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of currency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform

accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscatory taxation and limitations on the use or removal of Company's or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

Natural disasters and pandemic risks

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

Anti-Tax Avoidance Directive (“ATAD”)

The EU has adopted the Anti-Tax Avoidance Directive (“**ATAD 1**”) that addresses many of the items of the OECD's base erosion and profit shifting (“**BEPS**”) project, including among others hybrid mismatch rules, interest deduction limitation, controlled foreign companies rules and a principal purpose test. Luxembourg, implemented the ATAD 1 into its national law as of December 21, 2018, and as with all other EU Member States, must apply those provisions as of January 1, 2019. On February 21, 2017, the Economic and Financial Affairs Council of the EU reached political agreement on amendments to ATAD 1 to neutralize hybrid mismatch structures involving non-EU countries (“**ATAD 2**”). While ATAD 1 contains rules combatting certain hybrid mismatches between EU Member States, ATAD 2 extends the scope to (i) a variety of other mismatches between EU Member States and (ii) mismatches between EU Member States and third countries. ATAD 2 provisions had to be implemented into domestic law by January 1, 2020. As an exception, implementation of a specific provision targeting so-called reverse hybrids can be postponed by EU Member States until January 1, 2022.

Ultimately, the effects of ATAD 1 and ATAD 2 may potentially lead to additional taxes being imposed on the Sub-Funds (directly or indirectly on any entities the Sub-Funds are invested in), affecting the value of the investments held by Shareholders in the Sub-Funds.

Prospective investors should consult their professional advisor on the individual impact of ATAD 1 and ATAD 2.

Multilateral Instrument

At international level, the “Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting” (“**MLI**”) was published by the OECD on November 24, 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The ratification process of Luxembourg has been achieved through the law of March 7, 2019 and the deposit of the ratification instrument with the OECD on April 9, 2019. As consequences, the MLI has entered into force on August 1, 2019. Its application per double tax treaty concluded with Luxembourg will depend on the ratification by the other contracting state and on the type of tax concerned. Subsequent changes in tax treaties negotiated by Luxembourg incurred by the MLI could adversely affect the returns from the Sub-Funds to their Shareholders.

DAC 6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning (“**DAC6**”). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the “**DAC6 Law**”).

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, satisfy one or more “hallmarks” provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the “**Reportable Arrangements**”).

In the case of a Reportable Arrangement, the information that must be reported includes *inter alia* the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market, organise, make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called “intermediaries”). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

Starting from January 1, 2021, Reportable Arrangements must be reported within thirty days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the

day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

The information reported will be automatically exchanged between the tax authorities of all EU Member States.

In light of the broad scope of the DAC6 Law, transactions carried out by the Sub-Funds may fall within the scope of the DAC6 Law and thus be reportable.

6. SHARES

The Board of Directors may, within each Sub-Fund, decide to create different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, reference currency, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class. The offering details of each Sub-Fund, including the name and characteristics of the different Classes created in each Sub-Fund are disclosed in the relevant Sub-Fund Particular. The Board of Directors may at any time decide to issue further Classes of Shares in each Sub-Fund, in which case the relevant Sub-Fund Particular will be amended accordingly.

For each Sub-Fund, separate currency hedged Classes may be issued and which are identifiable by "H" in the Class name, in order to:

i) minimise the effect of exchange rate fluctuations between the Base Currency of the Sub-Fund and the Reference Currency of the Class. It is typically used when most portfolio assets are either denominated in, or hedged back to, the Base Currency. The Base Currency is systematically hedged to the Reference Currency of the hedged Class; and/ or

ii) minimise the effect of exchange rate fluctuations between the currency exposures of the assets in the Sub-Fund's portfolio and the Reference Currency of the Class. It is typically used when most portfolio assets are neither denominated in, nor hedged back to the Base Currency. In these Classes, the currency exposures are systematically hedged back to the Reference Currency of the hedged Class in proportion to the currency hedged Classes share of the Net Asset Value of the Sub-Fund, unless for specific currencies it is impractical or not cost effective to hedge the exposure.

A list of available Classes including the available hedged Classes and the applicable hedging method for each hedged Class is available upon request from the Company's registered office.

Any fees relating to the hedging strategy (including any fees of the Administration Agent or any service provider relating to the execution of the hedging policy) will be borne by the relevant Class. Any gains or losses from the currency hedging shall accrue to the relevant hedged Class.

Fractions of Shares up to 3 decimal places will be issued if so decided by the Board of Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

All Shares must be fully paid-up; they are of no nominal value and carry no preferential or pre-emptive rights. Each Share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each Share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant Share(s) until one person shall have been designated to represent the joint owners *vis-à-vis* the Company.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the Shares which he holds. The transfer of a Share shall be effected by a written declaration of transfer inscribed on the register of Shareholders. Such declaration of transfer, in a form acceptable to the Company, shall state the full name and address of transferor and transferee and be dated and signed by the transferor and the transferee or by persons holding suitable powers of attorney to act therefore. The Company may also accept as evidence of transfer other instruments of transfer satisfactory to the Company.

The Company or the Administration Agent may decline to register a transfer of Shares unless the transfer form is deposited with the Company or its delegate together with such information as may reasonably be required including evidence required to show the right of the transferor to make the transfer and satisfy the Administration Agent as to its requirements with respect to AML & KYC. A potential transferee (not being an existing Shareholder) will be required to complete such documentation as would have been required had that transferee subscribed for Shares before the proposed transfer is approved for registration.

7. HOW TO BUY SHARES

7.1. Application

Applicants buying Shares for the first time need to complete the Application Form which can be sent first by fax to the Registrar and Transfer Agent along with the relevant AML & KYC documentation as defined under Section 7.4 "Anti-money laundering and prevention of terrorist financing" below). The original Application Form and AML & KYC documentation have to be sent before the cut-off time for any applicable Valuation Day to the Registrar and Transfer Agent by post. Any subsequent purchase of Shares can be made by Swift, fax or any other electronic form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

7.2. Dealing cut-off times

The dealing cut-off times are indicated in the relevant Sub-Fund Particular.

Applications received after the relevant cut-off times will normally be dealt on the next applicable Business Day.

7.3. Acceptance

The right is reserved by the Company, represented by its Directors, to reject any subscription or conversion application in whole or in part without giving the reasons thereof. If an application is rejected, the application monies or balance thereof will be returned at the risk and at the expense of the applicant and without interest as soon as practicable.

7.4. Anti-money laundering and prevention of terrorist financing

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on professionals of the financial sector to prevent undertakings for collective investment from occurrences of money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any AML & KYC document it deems necessary to effect such identification. In addition, the Register and Transfer Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the above mentioned laws and regulations, the CRS Law and/or the FATCA Law.

In case of delay or failure by an applicant to provide the documents required, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Company, the Management Company, nor the Registrar and Transfer Agent nor any of their delegates or agents will be held responsible for said delay or for failure to process deals resulting from not providing or providing incomplete documentation.

From time to time, Shareholders may be requested to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

The list of identification documents to be provided by each applicant to the Registrar and Transfer Agent will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Registrar and Transfer Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

7.5. Settlement

IN CASH

Subscription proceeds will in principle be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular (settlement date). The Board of Directors may also accept payment in any other freely convertible currency specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant.

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund/Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement date will be on the next Business Day on which those banks are open. Payment should arrive in the Registrar and Transfer Agent's appropriate bank account, as specified in the Application Forms by the settlement date at the latest as specified in the relevant Sub-Fund Particular and subject to the foregoing. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Management Company against any existing holding of the applicant in the Company, including but not limited to overdraft charges and interests incurred.

IN KIND

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. A special report of the Company's Auditors will be issued. Additional costs resulting from a subscription in kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

7.6. Share allocation

Shares are provisionally allotted but not allocated until settlement has been received by the Company or to its order. Payment for subscribed Shares must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant Sub-Fund Particular.

If settlement is not received by the Company or to its order by the due date, the Company reserves the right to cancel the provisional allotment of shares without prejudice to the right of the Company to obtain compensation of any loss directly or indirectly resulting from the failure of an applicant to effect settlement.

7.7. Contract notes

Contract notes which are no proofs of ownership are provided to the investor as soon as practicable after the allotment of Shares.

7.8. Form of shares

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the Register. Shareholders will receive a confirmation of their shareholding as soon as reasonably practicable after the relevant Valuation Day.

8. HOW TO SELL SHARES

The terms and conditions applying to the redemption of the shares of the Company are detailed, for each Sub-Fund, in the relevant Sub-Fund Particular.

8.1. Request

Redemption requests should be made directly to the Registrar and Transfer Agent. Such requests may be made by Swift, fax or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed, for each Sub-Fund in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

8.2. Settlement

IN CASH

Redemption proceeds will in principle be paid in the Reference Currency of the relevant Class specified in the relevant Sub-Fund Particular within the timeframe provided for in the relevant Sub-Fund Particular. If, in exceptional circumstances, the liquidity of the relevant Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange

controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest. The Board of Directors may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the Shareholder. In that case, any currency conversion cost shall be borne by the Shareholder and the payment of the redemption proceeds will be carried out at the risk of the Shareholder.

If, on the settlement date, banks are not open for business in the country of the currency of settlement of the relevant Class, then settlement will be on the next Business Day on which those banks are open.

IN KIND

At a Shareholder's request, the Company may elect to make a redemption in kind subject to a special report from the Company's Auditors, having due regard to the interests of all Shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and/or to the marketability and the markets on which the investments distributed are dealt in and to the materiality of investments. Additional costs resulting from redemption in kind will be borne exclusively by the Shareholder concerned, unless the Board of Directors considers that the redemption in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

8.3. Contract notes

Contract notes are sent to Shareholders as soon as practicable after the transaction has been effected.

8.4. Compulsory redemption

If a redemption/conversion instruction or transfer of Shares would reduce the value of a Shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth (the case being) in the relevant Sub-Fund Particular, the Company may decide to compulsorily redeem the Shareholder's entire holding in respect of that Sub-Fund.

The Company may also compulsorily redeem any Shares that are acquired or held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority, as further detailed in the Articles of Incorporation.

If it appears at any time that a holder of Shares of a Class or of a Sub-Fund reserved to Institutional Investors (in the meaning of Article 174 of the 2010 Law) is not an Institutional Investor, the Board of Directors will convert the relevant Shares into Shares of a Class or of a Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class of Shares or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant Shares in accordance with the provisions set forth in the Articles of Incorporation.

8.5. Deferral of redemptions

In order to ensure that Shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of Shareholders, on receiving requests to redeem Shares exceeding 10% of the Net Asset Value of any Sub-Fund or Class shall not be bound to redeem on any Business Day a number of Shares representing more than 10% of the Net Asset Value of any Sub-Fund or Class. If the Company receives requests on any Business Day for redemption of a greater number of Shares, it may declare that such redemptions exceeding the 10% limit may be deferred until sufficient liquidity is available and as the Board of Directors considers being in the best interests of the Sub-Fund or the Class. Unless otherwise decided by the Board of Directors on the basis of exceptional circumstances, the deferral period should in principle not exceed 15 Business Days.

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

8.6. Cancellation right

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem Shares of the relevant Sub-Fund or the relevant Class. In exceptional circumstances, the Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between Shareholders, the interests of the relevant Sub-Fund or the relevant Class and applicable market timing rules, decide to accept any withdrawal of an application for redemption.

8.7. Prevention of market timing practices

The Company does not knowingly allow investments which are associated with market timing practices as such practices may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the value of such shares or other securities. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Registrar and Transfer Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Board of Directors reserves the right to cause the

Registrar and Transfer Agent to reject any application for conversion and/or subscription of Shares from applicants whom the former considers market timers.

9. HOW TO CONVERT SHARES

To the extent provided for in the relevant Sub-Fund Particular, Shareholders will be entitled to request the conversion of the Shares they hold in one Sub-Fund into Shares of another Sub-Fund or to request the conversion of the Shares they hold in one Class into another Class of the same Sub-Fund by making application to the Registrar and Transfer Agent in Luxembourg or through a distributor by Swift or fax, confirmed in writing by no later than the cut-off time (as further specified in the relevant Sub-Fund Particular).

Such application must include the following information: the name of the holder, the number of Shares to be switched (if it is not the total holding) and, if possible, the reference number on any Share of each Sub-Fund to be switched and the proportion of value of those Shares to be allocated to each new Sub-Fund or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in Shares relating to the new Sub-Fund(s)/Class(es) are met.

Unless otherwise provided for in the relevant Sub-Fund Particular, conversions (when authorised) may be accepted on each Valuation Days in both applicable Sub-Funds/Classes.

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual Shares at the redemption price ruling on the relevant Business Day and make payment of the proceeds to the Shareholder.

The basis of conversion is related to the respective Net Asset Value per Share of the Sub-Fund or Class concerned. The Company will determine the number of Shares into which a Shareholder wishes to convert his existing Shares in accordance with the following formula:

$$A = \frac{(B \times C \times D) - F}{E}$$

The meanings are as follows:

- A: the number of Shares to be issued in the new Sub-Fund/Class
- B: the number of Shares in the original Sub-Fund/Class
- C: Net Asset Value per Share to be converted
- D: currency conversion factor
- E: Net Asset Value per Share to be issued
- F: Conversion charge (as detailed in the relevant Sub-Fund Particular)

The Company will provide a confirmation including the details of the conversion to the Shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the Class or of the Sub-Fund concerned or deferral. The Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between Shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time (as detailed, for each Sub-Fund, in the relevant Sub-Fund Particular) will be deferred to the next applicable Business Day.

The rules applicable to the deferral of redemptions will apply *mutatis mutandis* to conversion requests.

10. LATE TRADING

The Company determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any subscription or redemption commission).

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut-off time**") on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown Net Asset Value. The cut-off time for subscriptions, conversions and redemptions is set out in the Sub-Fund Particular.

11. FOREIGN EXCHANGE TRANSACTIONS

Where subscription and redemption proceeds are paid in another currency than the Reference Currency of the relevant Class, the necessary foreign exchange transactions will be arranged by the Registrar and Transfer Agent for the account and at the expenses of the applicant at the exchange rate prevailing on the relevant Valuation Day.

12. NET ASSET VALUE AND DEALING PRICES

12.1. Calculation of Net Asset Value

Valuation Principles

The Net Asset Value of each Class within each Sub-Fund (expressed in the Reference Currency of the Class) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class. The Net Asset Value per Share in each Class will be calculated by dividing the net assets attributable to that

Class by the total number of Shares outstanding of that Class and by rounding the resulting amount up or down to three decimal places.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant Sub-Fund Particular, as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual Net Asset Value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available Net Asset Value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the Net Asset Value of such shares or units since the last Net Asset Value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;
2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;
3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;
4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be 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 shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;
5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;
7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;

8. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
9. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
10. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the Shareholders any other appropriate valuation principles for the assets of the Company; and
11. in circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

If after the Net Asset Value per Share has been calculated, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is dealt or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues, conversions or redemptions of Shares dealt with by the Sub-Fund for such a Valuation Day must be made in accordance with this second valuation.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in USD.

Swing Pricing

On any Business Day the Board of Directors may determine to apply an alternative Net Asset Value calculation method (to include such reasonable factors as they see fit) to the Net Asset Value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Company to the active Shareholders by adjusting the Net Asset Value of the relevant Share and thus to protect the Company's long-term Shareholders from costs associated with ongoing subscription and redemption activity. Such adjustment may vary from Sub-Fund / Class to Sub-Fund / Class and will not exceed 2% of the original Net Asset Value per Share. The Board of Directors may authorize the increase of the swing factor beyond the maximum level of 2% of the original Net Asset Value per Share under certain conditions such as pandemic crisis, economic and financial crisis. However, the increase of the swing factor will not exceed 5% of the original Net Asset Value.

This alternative Net Asset Value calculation method may take account of trading spreads on the Company's investments, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact. Where the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant portfolio, have determined for a particular portfolio to apply an alternative Net Asset Value calculation method, the portfolio may be valued either on a bid or offer basis.

Because the determination of whether to value the Company's Net Asset Value on an offer or bid basis is based on the net transaction activity of the relevant day, Shareholders transacting in the opposite direction of the Company's net transaction activity may benefit at the expense of the other Shareholders in the Company. In addition, the Company's Net Asset Value and short-term performance may experience greater volatility as a result of this alternative Net Asset Value calculation method.

The following Sub-Funds of the Company are in scope the swing pricing mechanism:

- Harvest China Evolution Equity Fund;
- Harvest China Bonds Fund;
- Harvest Asian Bond Fund;
- Harvest China A-Shares Sustainable Absolute Fund;
- Harvest Asia Sustainable Balanced Fund

12.2. Temporary suspension

The Company, as represented by the Board of Directors may suspend the issue, allocation and the redemption of Shares relating to any Sub-Fund/Class as well as the right to convert Shares and the calculation of the Net Asset Value per Share relating to any Class:

- a) during any period, other than for ordinary holidays, when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund/Class for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs as a result of which disposal of investments of the relevant Sub-Fund/Class by the Company is not reasonably practical or it is not possible to do so without seriously prejudicing the interests of Shareholders of the relevant Sub-Fund/Class;
- c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund/Class is suspended;
- d) during any period when the determination of the Net Asset Value per Share of the underlying funds or the dealing of their shares/units in which a Sub-Fund or a Class is a materially invested is suspended or restricted;

- e) for any other reason the prices of investments held or contracted for the account of that Sub-Fund cannot, in the opinion of the Company, reasonably, promptly or fairly be ascertained;
- f) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund/Class' investments or the current prices on any market or stock exchange;
- g) during any period when remittance or repatriation of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund/Class' investments is not possible or the issue or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Investment Manager, be carried out promptly at normal rates of exchange;
- h) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class(es) or in the event of the publication of the convening notice to a general meeting of Shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class(es) is to be proposed;
- i) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in Shares of any Sub-Fund/Class of the Company or where such suspension is required by law or applicable legal process; or
- j) such other circumstance or situation exists as set out in the relevant Sub-Fund Particular.

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

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

To the extent legally or regulatory required or decided by the Company, Shareholders who have requested conversion or redemption of their Shares will be promptly notified in writing of any such suspension and of the termination thereof. The Board of Directors may also make public such suspension in such a manner as it deems appropriate.

12.3. Offer price

Shares will be issued at a price based on the Net Asset Value calculated on the relevant Valuation Day increased by any applicable sales charge detailed in the relevant Sub-Fund Particular. Subscription proceeds shall be paid within the timeframe disclosed in the relevant Sub-Fund Particular.

Any sales charge may be payable to entities involved in a Sub-Fund's distribution such as any distributors.

12.4. Redemption price

Shares will be redeemed at a price based on the Net Asset Value calculated on the relevant Valuation Day less any applicable redemption charge disclosed in the relevant Sub-Fund Particular. The redemption price will be payable within the timeframe disclosed in the relevant Sub-Fund Particular.

12.5. Information on prices

The Net Asset Value per Share in each Sub-Fund is available at the registered office of the Company. The Net Asset Value per Share of each Class will also be published on Bloomberg. The Board of Directors may discontinue such publication or undertake publications in other media at its sole discretion.

13. DIVIDENDS

The Directors may issue distribution and capital-accumulation Shares, as further specified in the relevant Sub-Fund Particular.

- i) Capital-accumulation Shares do not pay any dividends.
- ii) The distribution policy of the distribution Shares can be summarised as follows:

Distribution of dividends may be made out of investment income, capital gains and/or capital.

Dividends will be declared by the relevant Shareholders at the annual general meeting of Shareholders or any other Shareholder meeting. During the course of a financial year, the Board of Directors may declare interim dividends in respect of certain Sub-Fund(s) or distribution Shares.

In the absence of any instruction to the contrary, dividends will be paid out. Holders of registered Shares may however, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Sub-Fund reinvested automatically in the acquisition of further shares relating to that Sub-Fund. Such Shares will be purchased no later than on the next Valuation Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

14. CHARGES AND EXPENSES

14.1. Management Company Fee

In consideration for the management company services provided to the Company, the Management Company is entitled to receive a management company fee of a percentage of the net assets of the relevant Class, as further detailed in the relevant Sub-Fund Particular (the "Management Company Fee"). Unless otherwise provided for in the relevant Sub-Fund Particular, this fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund.

14.2. Investment Management

In consideration for the investment management services provided to the Company, the investment managers are entitled to receive from the Company any investment management fee expressed as a percentage of the net assets of the relevant Class as further detailed in the relevant Sub-Fund Particulars. Unless otherwise provided for in the relevant Sub-Fund Particular, this fee will be accrued on each Valuation Day and payable monthly in arrears.

14.3. Performance Fee

To the extent provided for in the relevant Sub-Fund Particular, the Investment Manager may also be entitled to receive a performance fee (the "Performance Fee"), the details of which will (where applicable) be disclosed in the relevant Sub-Fund Particular.

14.4. Administration Fee

For its services as Administration Agent, Registrar and Transfer Agent and unless otherwise agreed for a specific Sub-Fund, HSBC Continental Europe, Luxembourg receives an annual fee based upon a reducing scale, of up to 0.06% p.a., depending upon the value of the Company's net assets, subject to a minimum annual central administration fee of EUR 50,400 per Sub-Fund.

This fee is calculated and accrued on each Valuation Day and is payable by the Company monthly in arrears and as agreed from time to time in writing.

14.5. Depositary and Custody Fees

For its custody services, HSBC Continental Europe, Luxembourg receives a fee for this service which can vary dependent upon the markets in which the assets of the Company are invested.

This fee can range from 0.0045% p.a. of the value of the assets of a Sub-Fund when safe kept in developed markets to 0.46% p.a. of the value of the assets of such Sub-Fund which are safe kept in Emerging Markets (excluding sub-custodian out of pocket expenses).

This fee is calculated and accrued on each Valuation Day and is payable by the Company monthly in arrears and as agreed from time in writing between the Company and the Depositary.

Trade settlement is charged on a per transaction basis based on the countries in which the securities are settled.

For depositary services, HSBC Continental Europe, Luxembourg receives an annual fee based upon a reducing scale, of up to 0.0125% p.a. of the value of the Company's net assets, subject to a minimum annual depositary fee of EUR 36,000 per Sub-Fund.

14.6. Other charges and expenses

The Company pays all brokerage and any other fees arising from transactions involving securities in the Company's portfolio, clearing, taxes and governmental duties and charges payable by the Company, and fees and expenses involved in registering and maintaining the authorisation in Luxembourg and elsewhere and the listing of the Company's shares (where applicable), any fees and charges payable to fund distribution platforms, cost and expenses for subscriptions to professional associations and other organisations in Luxembourg or in other jurisdiction where it may be registered for offer of its Shares, which the Company will decide to join in its own interest and in that of its Shareholders, the costs related to tax reporting in any relevant jurisdiction, the cost of publication of prices and costs relating to distribution of dividends, the remuneration of the Directors, if any, and their reasonable out-of-pocket expenses and its other operating expenses such as accounting and pricing costs, expenses for legal, auditing, service provider costs and remuneration and other professional services relating to the management of the Company and of its Sub-Funds, costs of printing, translating, and publishing information for the Shareholders and in particular the costs of printing, translating and distributing the periodic reports, as well as the Prospectuses and Key Investor Information Documents, litigation and other recurring or non-recurring expenses.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

The costs and expenses for the formation of the Company and the initial issue of its Shares will be borne by the first Sub-Fund of the Company (namely Harvest China Evolution Equity Fund) and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses and the cost of listing its Shares on any stock exchange, which will be amortized over a period not exceeding 5 years.

15. MANAGEMENT COMPANY

The Company has appointed FundRock Management Company S.A. to act as the management company of the Company pursuant to the Fund Management Company Agreement and is responsible for providing investment management services, administration services and distribution services.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and investment management functions to specialised service providers. In this context, the Management Company has delegated the above-mentioned tasks as follows:

The investment management function has been delegated to the Investment Manager as further detailed under 15. "Investment Manager" below and in the Sub-Fund Particulars.

The Management Company has delegated the administration function to the Administration Agent and registrar and transfer agency functions to the Registrar and Transfer Agent.

The Management Company has delegated the marketing function to the Global Distributor.

The Management Company was incorporated as a "*société anonyme*" under the laws of Luxembourg on 10 November 2004 and its articles of incorporation were published in the *Mémorial* on 6 December 2004. The Management Company is registered with the Luxembourg Trade and Companies' Register under the number B 104196 and is approved as a management company regulated by Chapter 15 of the 2010 Law. It has its registered office in Luxembourg, at 33, rue de Gasperich, L-5826 Luxembourg, Grand Duchy of Luxembourg. The Management Company has a subscribed and paid-up capital of EUR 10 million.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis. 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 mandate 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 shall also ensure compliance with the investment restrictions and oversee the implementation of the Sub-Fund's strategies and investment policy by the Sub-Funds.

The Management Company shall also send reports to the Board of Directors on a periodic basis and inform each board member without delay of any non-compliance with the investment restrictions by any Sub-Fund.

The Management Company will receive periodic reports from the Investment Manager detailing the relevant Sub-Fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the relevant Sub-Fund's other services providers in relation to the services which they provide.

The Management Company has established and applies a remuneration policy in accordance with principles laid out under Directive 2014/91/EU of the European Parliament and of the Council amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions ("UCITS V") 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 UCITS V are not remunerated based on the performance of the UCITS under management.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how the remuneration and benefits are calculated and the associated governance arrangements, are available at: <https://www.fundrock.com/remuneration-policy>

A paper version of this remuneration policy is made available free of charge to investors at the Management Company's registered office.

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 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;
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

*It should be noted that, upon issuance of final regulatory guidelines, this remuneration policy may be subject to certain amendments and/or adjustments.

The Management Company also acts as management company for other investment funds (Luxembourgish or not). The names of these other funds are available upon request.

16. INVESTMENT MANAGER

The Management Company may delegate all or part of its portfolio management duties to one or more investment managers (each an "Investment Manager") whose identity will be disclosed in the relevant Sub-Fund Particular.

Unless otherwise provided in a relevant Sub-Fund Particular, the Management Company has, upon recommendation and with the consent of the Company, appointed Harvest Global Investments Limited to act as investment manager with respect to the assets of the Sub-Funds.

The Investment Manager has the discretion to acquire and dispose of securities of the Sub-Fund(s) for which it has been appointed as the investment manager, subject to and in accordance with the legal and regulatory requirements applicable to the Company and the guidelines received from the Management Company from time to time, and in accordance with the investment objectives and restrictions of the Sub-Fund(s). While the Investment Manager must act strictly in the best interests of the shareholders, individual shareholders shall not be involved in investment management activities.

The Investment Manager, may also appoint one or more investment advisers (each an "Investment Adviser") to advise it on the portfolio management of one or more Sub-Fund(s) to provide portfolio management services for one or more Sub-Fund(s).

The Investment Manager was established in Hong Kong on 23 September 2008 and is a wholly owned subsidiary of Harvest Fund Management Co., Ltd, a company registered in the People's Republic of China.

The Investment Manager is licensed and regulated by the SFC to conduct Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management).

17. DISTRIBUTION OF SHARES

The Management Company, with the consent of the Company, has appointed Harvest Global Investments Limited to act as global distributor of the Company. The Global Distributor may enter into agreements with distributors pursuant to which the distributors agree to act as intermediaries or nominees for investors subscribing for Shares through their facilities.

18. DEPOSITARY BANK

Pursuant to the agreement dated 24 January 2017 (the "Depositary Services Agreement") between Harvest Global Funds (the "Fund"), FundRock Management Company S.A (the "Management Company") and HSBC Continental Europe, Luxembourg (the "Depositary") and for the purposes of and in compliance with the law of 17 December 2010 relating to undertakings for collective investment, as amended, and the relevant CSSF rules, the Depositary has been appointed as depositary to the Fund.

HSBC Continental Europe, Luxembourg is established as a branch of HSBC Continental Europe, a public limited company incorporated in France with company registration number 775 670 284. HSBC Continental Europe is a wholly owned subsidiary of HSBC Holdings plc. The Depositary's registered office is located at 16, boulevard d'Avanches, Luxembourg and is registered with the Luxembourg trade and companies register under number B 227.159. HSBC Continental Europe is supervised by the European Central Bank, as part of the Single Supervisory Mechanism, the French Prudential Supervisory and Resolution Authority (*l'Autorité de Contrôle Prudentiel et de Résolution*) as the French national competent authority and the French Financial Markets Authority (*l'Autorité des Marchés*

Financiers) for the activities carried out over financial instruments or in financial markets. HSBC Continental Europe, Luxembourg is authorised to act as depositary in Luxembourg by the *Commission de Surveillance du Secteur Financier* (the “CSSF”); as a consequence thereof, when servicing Luxembourg undertakings for collective investment, the Depositary is subject to the general supervision of the CSSF.

The Depositary provides services to the Company as set out in the Depositary Services Agreement and, in doing so, shall comply with the 2010 Law, and any other applicable laws and regulations with regard to the obligations of depositaries.

Duties of the Depositary

The Depositary’s key duties include the following:

- (i) Ensuring that the Company’s cash flows are properly monitored and that all payments made by or on behalf of investors upon the subscription of Shares have been received and that all cash received has been booked in the correct cash accounts in accordance with the 2010 Law.
- (ii) Safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that may be held in custody (including those assets owned by the Company which are subject to Total Return Swaps)(which will be registered in the Depositary’s books within segregated accounts, opened in the name of the Company, in respect of each Sub-Fund, as the case may be); and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) Ensuring that sales, issues, repurchases, redemptions and cancellations of the Shares are carried out in accordance with applicable Luxembourg law and the Articles of Incorporation.
- (iv) Ensuring that the value of the Shares is calculated in accordance with applicable Luxembourg law and the Articles of Incorporation.
- (v) Carrying out the instructions of the Company and/or the Management Company, unless they conflict with applicable Luxembourg law or the Articles of Incorporation.
- (vi) Ensuring that in transactions involving the Company’s assets any consideration is remitted to the Company within the usual time limits.
- (vii) Ensuring that the Company’s income is applied in accordance with applicable Luxembourg law and the Articles of Incorporation.

Delegation of functions

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Depositary may delegate to one or more Global Sub-Custodians (each a “Global Sub-Custodian”) the safekeeping of certain of the assets of the Company in accordance with the terms of a

written agreement between the Depositary and the Global Sub-Custodian. The Global Sub-Custodian may also use sub-delegates appointed in accordance with the terms of written agreements for the safekeeping of certain of the assets of the Company. As of the date of the Prospectus, the appointed Global Sub-Custodian is Hong Kong and Shanghai Banking Corporation Ltd in Hong Kong ("HBAP") (the "Global Sub-Custodian"). An up-to-date list of the appointed Global Sub-Custodians and sub-delegates is available on request and free of charge at the registered office of the Company or from the Depositary's website: <https://www.hsbc.lu/en-gb/global-banking-markets>.

Under the terms of the Depositary Services Agreement, in general, the Depositary is liable for losses suffered by the Company as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Depositary will be liable to the Company for the loss of financial instruments of the Company which are held in its custody.

The liability of the Depositary will not be affected by the fact that it has delegated the safekeeping of the Company's assets to a third party.

The Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

Conflicts of interest

From time to time, actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, where a delegate is an affiliate of the Depositary, the Depositary may have a financial or business interest in that delegate and these interconnections could give rise to potential conflicts of interest represented by a selection bias (choice of the delegate not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the delegate's solvency) or single group exposure risk.

Actual or potential conflicts of interest may arise between the Company, the Shareholders or the Management Company on the one hand and the Depositary on the other hand. For example such actual or potential conflict of interest may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company. The Depositary may have a financial or business interest in the provision of such products or services, or may receive remuneration for related products or services provided to the Company, or may have other clients whose interests may conflict with those of the Company, the Shareholders or the Management Company.

The Depositary and any of its affiliates may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict of interest with the Depositary's duty to the Company. This includes for example circumstances in which the same entity to which the Depositary or any of its affiliates or connected persons belong, acts as administration agent of the Company; provides stock lending services and foreign exchange facilities to the Company and/or a Sub-Fund and/or to other funds or companies; acts

as prime broker, banker, derivatives counterparty of the Company and/or a Sub-Fund; acts in the same transaction as agent for more than one client; or earns profits from or has a financial or business interest in any of these activities.

The Depositary has a conflicts of interest policy in place to identify, manage and monitor on an on-going basis any potential conflict of interest. As per such policy where a potential conflict of interest is identified by an employee it should immediately be escalated to the line manager/senior management and/or HSBC's Compliance department. The situation will be analysed, recorded and managed promptly in the best interest of the Shareholders. A Conflict of Interest Register is maintained and monitored by HSBC's Compliance department.

Miscellaneous

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request and free of charge at the registered office of the Depositary.

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than (90) days written notice provided that the Depositary Services Agreement does not terminate until a replacement depositary has been appointed which must happen within two months.

19. ADMINISTRATION

19.1. Administration, Registrar and Transfer Agent

Upon recommendation and with the consent of the Company, the Management Company has delegated the administration of the Company to HSBC Continental Europe, Luxembourg and has authorized the latter in turn, upon prior approval of the Company and Management Company, to delegate tasks wholly or partly to one or more third parties under the supervision and responsibility of the Management Company.

As the Administration Agent, HSBC Continental Europe, Luxembourg, will assume all administrative duties that arise in connection with the administration of the Company.

The Administration Agent is authorised to conduct its activities in Luxembourg by the CSSF. The Administration Agent is regulated by the *Autorité des Marchés Financiers* and the *Autorité de Contrôle Prudentiel et de Résolutions* and subject to limited regulation by the CSSF.

The agreement between the Management Company, the Administration Agent and the Company effective as of 24 January 2017, may be terminated by a written prior notice given three months in advance by either party to the other. HSBC Continental Europe, Luxembourg has also been appointed as Registrar and Transfer Agent of the Company pursuant this agreement.

Unless the Administration Agent has acted fraudulently, negligently or with wilful default, the Administration Agent shall not be liable to the Management Company, the Company or to any shareholder of the Company for any act or omission in the course of or in connection with the discharge by the Administration Agent of its duties. The Company has agreed to indemnify the Administration Agent or any persons appointed by it from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Administration Agent) which may be imposed on, incurred by or asserted against the Administration Agent in performing its obligations or duties hereunder.

The Administration Agent has no decision-making discretion relating to the Company's investments. The Administration Agent is a service provider of the Company and is not responsible for the preparation of this Prospectus or the activities of the Company and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company. The Administration Agent is not responsible for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

19.2. Corporate and Domiciliary Agent and Paying Agent

HSBC Continental Europe, Luxembourg has been appointed by the Company as Corporate Agent, Domiciliary Agent and Paying Agent.

20. LUXEMBOURG REGISTER OF BENEFICIAL OWNERS

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "Law of 13 January 2019") entered into force on 1 March 2019 and requires all companies registered on the Luxembourg Company Register, including the Company, to obtain and hold information on their beneficial owners ("Beneficial Owners") at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of beneficial owners, which is established under the authority of the Luxembourg Ministry of Justice.

The Law of 13 January 2019 broadly defines a Beneficial Owner, in the case of corporate entities such as the Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the Company, including through bearer shareholders, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the Company held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the Company held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Company, this investor is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfill its obligation under the Law of 13 January 2019. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the Law of 13 January 2019 will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Company for clarification.

21. EU BENCHMARK REGULATION

Regulation (EU) 2016/1011 (also known as the "EU Benchmark Regulation") requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. Further information on the plan is available on request and free of charge from the Management Company's registered office.

The Sub-Funds use benchmarks (as listed below) for measuring the performance of an investment fund through an index or a combination of indices for the purpose of defining the asset allocation of the relevant Sub-Fund.

The following benchmarks, used by the Sub-Funds are, as at the date of this Prospectus, provided by benchmark administrators which are not included in the register of administrators maintained by ESMA. However, the use of these benchmarks is permitted during the transitional period provided for in article 51 of the EU Benchmark Regulation:

Sub-Fund	Benchmark	Benchmark Administrator
Harvest China Evolution Equity Fund	MSCI China Index	MSCI Limited
Harvest China Bonds Fund	Bloomberg Barclays China Aggregate TR (Total Return) Index	Bloomberg Index Services Limited
Harvest Asian Bond Fund	JP Morgan Asia Credit Total Return Index	J.P. Morgan Securities LLC
Harvest China A-Shares Sustainable Absolute Fund	MSCI China A Index	MSCI Limited
Harvest Asia Sustainable Balanced Fund	40 % JP Morgan Asia Credit Total Return Index 60% MSCI AC Asia ex Japan Net Total Return USD Index	J.P. Morgan Securities LLC, MSCI Limited

22. CONFLICTS OF INTEREST

The Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent, the Depository and any of their delegates may from time to time act as management company, investment manager or adviser, sales agent, administrator, registrar and transfer agent or depository in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in

the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund(s). In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the Investment Manager, the sales agents, the Administration Agent, the Registrar and Transfer Agent or the Depositary or with any of their affiliates or any of their delegates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Manager or any affiliates or delegates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell Shares of the Company.

The Management Company adopts and implements policies for the prevention of conflicts of interests (including in the context of total return swaps to the extent relevant) in accordance with applicable rules and regulations in Luxembourg.

Cross trades

To the extent permitted by applicable law, a member of the Harvest Group may engage in cross trades of securities between its clients as well as cross trades between its clients and brokerage clients of its affiliates for whom the Investment Manager does not provide asset management services. In the event that the Investment Manager effects a cross trade to which the Company and/or a Sub-Fund is a party, the Investment Manager will act on behalf of both the Company/Sub-Fund and the other party to the cross trade which may include other investment funds (including trusts) managed by the Investment Manager, and thus may have a potentially conflicting division of loyalty to such parties. In order to address such potentially conflicting divisions of loyalty, the Investment Manager has established policies and procedures with respect to cross trades so that neither party to a cross trade is unfairly advantaged or disadvantaged relative to the other party. All cross trades will be executed on arm's length basis at the current fair market value. None of the foregoing activities should interfere substantially with the commitment of time necessary for the Investment Manager or its principals to perform their responsibilities to the Company.

23. MEETINGS AND REPORTS

The annual general meeting of Shareholders of the Company (the "Annual General Meeting") is normally held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg at 11 a.m. (Luxembourg time) on the last Friday of April in each year (or, if such day is not a Business Day, on the next following Business Day in Luxembourg).

The Board of Directors may decide to hold the Annual General Meeting at a different date, time or place than set forth in the preceding paragraph.

Other general meetings of Shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the general meeting (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Financial periods of the Company end on 31 December in each year (and for the first time on 31 December 2017). The annual report containing the audited consolidated financial accounts of the Company expressed in USD in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 8 days before the Annual General Meeting.

The semi-annual report dated as of 30 June each year (and the first time as at 30 June 2017) will be available at the Company's registered office, at the latest two months after the end of the period to which it relates.

Copies of all reports are available at the registered offices of the Company.

24. TAXATION

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of Shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

24.1. Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Sub-Funds are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on their Net Asset Value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% *per annum* is also applicable to any Sub-Fund or Class provided that their shares are only held by one or more institutional investors within the meaning of article 174 of the 2010 Law (an "Institutional Investor").

A Subscription tax exemption applies to

- the portion of any Sub-Fund's assets (prorata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in Money Market Instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Classes are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- any Sub-Fund whose main objective is the investment in microfinance institutions;
- any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Classes meeting (i) above will benefit from this exemption; and
- any Sub-Fund only held by pension funds and assimilated vehicles.

24.2. Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

24.3. Taxation of the Shareholders

Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individual investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to

Luxembourg income tax except if:

- the Shares are sold within 6 months from their subscription or purchase; or
- if the Shares held in the private portfolio constitute a substantial shareholding. A Shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale.

Luxembourg resident corporate

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 24.94% (in 2021 for entities having their registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distributions received from the Company.

Luxembourg resident corporate investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the 2010 Law, (ii) a specialised investment fund subject to the amended law of 13 February 2007 on specialised investment funds, or (iii) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitization, (iii) an investment company in risk capital subject to the amended law of 15 June 2004 on the investment company in risk capital, (iv) a specialised investment fund subject to the amended law of 13 February 2007 on specialised investment funds or (v) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

Non Luxembourg residents

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

Automatic Exchange of Information

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014 Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Company in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

Under the CRS Law, the exchange of information will be applied by 30 September of each year for information related to the preceding calendar year. Under the Euro-CRS Directive, the AEOI will be applied by 30 September of each year by the local tax authorities of the Member States for the data relating to the preceding calendar year.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.

24.4. FATCA

The Foreign Account Tax Compliance Act ("FATCA"), a part of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by

"Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect Shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its Share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company, in its capacity as the Company's management company, if applicable, may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that Shareholder's FATCA status;
- b. report information concerning a Shareholder and his/her/its account holding in the Company to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

24.5. Prospective investors

Prospective investors should inform themselves of, and whether appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls) applicable to the subscription, purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Company in Luxembourg.

24.6. Applicable law

The Luxembourg District Court is competent for all legal disputes between the Shareholders and the Company. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

25. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS

25.1. Liquidation of the Company

With the consent of the Shareholders expressed in the manner provided for by articles 450-3 and 1100-2 of the 1915 Law, the Company may be liquidated.

If at any time the value at their respective Net Asset Values of all outstanding Shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of Shareholders acting, without minimum quorum requirements, by a simple majority decision of the Shares represented at the meeting.

If at any time the value at their respective Net Asset Values of all outstanding Shares is less than one quarter of the minimum capital for the time being required by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the Shareholders owning one quarter of the Shares represented at the meeting.

Any voluntary liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

25.2. Liquidation, merger, split or consolidation of Sub-Fund(s)/Classes

The Directors may decide to liquidate one Sub-Fund if the net assets of such Sub-Fund fall below USD 10,000,000 or its equivalent in the relevant Reference Currency or one Sub-Fund or Class if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the Shareholders would justify it. The decision of the liquidation will be published or notified to the Shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their Shares (free of charge). Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund or Class concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for Shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of Shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Board of Directors. At such Class or Sub-Fund meeting, no quorum shall be required and the decision to liquidate must be approved by Shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the Shareholders and/or published by the Company.

Any split or consolidation of a Sub-Fund/Class of Shares shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a split/consolidation to a meeting of Shareholders of the Sub-Fund (or Class as the case may be) concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

The Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company (the 'new Sub-Fund') and to redesignate the Shares of the Classes concerned as Shares of the new Sub-Fund. The Directors may also decide to allocate the assets of any Sub-Fund to another undertaking for collective investment organised under the provisions of Part I of the 2010 Law or under the legislation of a Member State of the European Union, or of the European Economic Area, implementing Directive 2009/65/EC or to a compartment within such other undertaking for collective investment.

The Directors may also decide to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the Shareholders concerned) shall apply.

26. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS

26.1. Documents available for inspection

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company.

- i) The Articles of Incorporation;
- ii) The most recent Prospectus;
- iii) The Key Investors Information Documents;
- iv) The latest annual and semi-annual reports; and
- v) The material agreements.

In addition, copies of the Articles of Incorporation, the most recent Prospectus, the Key Investor Information Documents and the latest financial reports may be obtained free of charge, on request at the registered office of the Company.

In addition, the Key Investor Information Documents may be obtained in paper form or on any other durable medium agreed between the Management Company or the intermediary and the investor.

In addition to publicly available reports and factsheets, the portfolio holdings of a Sub-Fund's may be provided within a shorter time frame to existing Shareholders who request such information for reasons assessed at the discretion of the Board of Directors. The recipient of information will be required to sign a non-disclosure agreement pursuant to which it shall agree, among other things, to keep the information confidential, and not trade in portfolio holdings, underlying positions or Shares on the basis of the non-public information.

26.2. Queries and complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Company or the Management Company. Further information regarding the Company and its Sub-Funds can also be found at www.harvestglobal.uk/hgi/index.php/funds.

27. REGULATION (EU) 2019/2088 ON SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR ("SFDR")

The Management Company analyses sustainability risks as part of its risk management process.

The Investment Manager identifies, analyses and integrates sustainability risks in its investment decision-making process as it considers that this integration could help enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Funds.

Sustainability risks mean an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

The Investment Manager considers that sustainability risk are likely to have important impact on the value of the Sub-Fund's investments in the medium to long term.

In case sustainability risks are not considered to be relevant for a specific Sub-Fund this will be disclosed.

The Sub-Funds Harvest China A-Shares Sustainable Absolute Fund and Harvest Asia Sustainable Balanced Fund, and, as from 18 April 2022 all Sub-Funds of the Company, do promote environmental or social characteristics (as provided by article 8 of SFDR – please refer to the Sub-Fund particulars in this respect), but do not have as objective sustainable investment (as provided by article 9 of SFDR).

SUB-FUND PARTICULAR 1
HARVEST CHINA EVOLUTION EQUITY FUND

1. Name of the Sub-Fund

Harvest China Evolution Equity Fund (the "**Sub-Fund**")

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The investment objective of the Sub-Fund is to provide capital appreciation over the medium to long term by investing primarily in equity and equity-related securities of companies which are incorporated in, have their area of primary activity in or which are related to the economic development and growth of the People's Republic of China. It is expected that the Sub-Fund will primarily be invested in equity and equity-related securities of companies which may benefit from the "new China economy" (e.g. alternative energy, technology, media, telecom, new energy, healthcare, broader consumption upgrade and innovative technology upgrade).

Investment Strategy

The Sub-Fund seeks to invest primarily in equity or equity related securities of companies whose activities are closely related to the economic development and growth of the People's Republic of China. A company's activities will be considered to closely relate to the economic development and growth of the People's Republic of China if:

- (i) it is organised under the laws of, or has its principal office in mainland China or Hong Kong;
- (ii) its activities are closely related to the economic development and growth of mainland China or Hong Kong;
- (iii) it has substantial business dealings with entities from, or derives substantial revenue from, or whose subsidiaries, related or associated corporations derived substantial revenue from mainland China or Hong Kong; and/or
- (iv) its securities or instruments issued are primarily traded in mainland China or the Hong Kong markets.

These companies may be listed in developed or emerging markets (including but not limited to PRC Stock Exchanges and stock exchanges of Hong Kong, Singapore, Taiwan and the United States of America). Where direct investment in the above markets is not permissible, the Sub-Fund may invest in such equity or equity related securities through participation notes or other equity related securities (including CAAPs which may not exceed 10% of the Sub-Fund's net assets). Equity and equity-related

securities include but are not limited to common stock, preference shares, American Depositary Receipts and Global Depositary Receipts. The Sub-Fund may invest in equity or equity related securities of companies of any capital size which satisfy the requirements set out in this paragraph.

The Sub-Fund may also invest up to 10% of its net assets in closed-ended real estate investment trusts (REITs).

Up to 10% of the Sub-Fund's net assets may from time to time also be invested in units of UCITS and/or other UCIs whose investment objectives are substantially similar to the Sub-Fund (including open-ended exchange traded funds ("ETFs") qualifying as UCITS or other UCIs).

The Sub-Fund may also invest in closed-ended UCIs whose shares qualify as Transferable Securities.

Where the Sub-Fund invests in other UCITS and/or other UCIs managed by the Investment Manager, as per the investment restrictions applicable to this Sub-Fund, any initial charges on such investments will be waived.

The Sub-Fund may also invest in cash, certificates of deposit or bank deposits for liquidity management and portfolio diversification purposes.

The Sub-Fund may have exposure (whether direct or indirect) to China A-Shares and/or China B-Shares. Exposure to China A-Shares may be gained directly via the Shanghai – Hong Kong Stock Connect and/or the Shenzhen – Hong Kong Stock Connect and/or through the QFI license granted by the CSRC to the Investment Manager and/or such other means as may be permitted by the relevant regulators from time to time.

The Sub-Fund will only invest in financial derivative instruments for hedging purposes in accordance with the 2010 Law.

The Investment Manager adopts a bottom up stock selection criteria during which the Investment Manager will consider, amongst other things, a company's business model, corporate governance, cash flow and balance sheet.

The investments of the Sub-Fund denominated in a currency other than USD may be hedged into the Base Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

As from 18 April 2022, the following paragraphs will apply:

The Sub-Fund does not have sustainable investment as its objective and no index has been designed as a reference benchmark but the Sub-Fund promotes, among other characteristics, environmental or social characteristics, or a combination of both, provided that the companies in which the investments are made follow good governance practices. The Investment Manager uses internal and external data sources provided by ESG research providers, proprietary models and local intelligence.

The Investment Manager's overall ESG strategy encompasses three main components: systematic integration, engagement and stewardship, as well as sustainable and thematic investment. The Investment Manager's ESG integration program combines both top-down and bottom-up approaches to incorporate perspectives from macro and security-level analysis, which lead to high-quality qualitative and quantitative ESG research analyses encompassing ESG issues, controversies and quantitative scoring. This program involves proprietary ESG scoring and research, regular ESG risk monitoring and alerts, all accessible through the ESG dashboard integrated in the Investment Manager's core investment platform and various communication mechanisms between ESG and investment teams to act upon material ESG issues.

The ESG integration process includes i) negative screening of controversial weapons, tobacco, nuclear energy, controversial behaviours, controversial jurisdictions, drugs and adult entertainment, and conditional exclusion for alcohol, fossil fuels, coal, and gambling. ii) ESG quantitative scoring based on a proprietary ESG framework that is rooted in globally recognized ESG issues and locally-material ESG factors. iii) Qualitative analysis for core holdings and high ESG risk names. iv) Continuously monitor ESG momentum and measure ESG impact. v) Engagement and proxy voting. Companies will be removed from investment pool if it fails to meet internal ESG criteria.

In line with its ESG criteria, the Sub-Fund promotes environmental characteristic and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation. Due to the lack of reliable data, it is currently not possible to determine how and to what extent the Sub-Fund's underlying investments take into account the EU criteria for environmentally sustainable economic activities.

Additional information on the Investment Manager's ESG approach is available under <https://www.harvestglobal.uk/hgi/index.php/about-harvest/our-mission>

The Sub-Fund is actively managed. The Sub-Fund is managed in reference to the MSCI China Index (the Benchmark) for the purpose of performance measurements, in particular risk limitations. The investment strategy will restrict the extent to which the portfolio holdings may deviate from the Benchmark. This deviation may be limited. This is likely to limit the extent to which the Sub-Fund can outperform the Benchmark. The Benchmark is not consistent with the environmental and social characteristics as promoted.

Global exposure

The global exposure relating to this Sub-Fund will be calculated using a relative Value-at-Risk approach benchmarked against the MSCI China Index. The expected maximum level of leverage of the Sub-Fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is 100%.

4. Investment Manager

The Investment Manager of the Sub-Fund is Harvest Global Investments Limited, 31/F One Exchange Square, 8 Connaught Place, Central Hong Kong.

5. Profile of the typical investor

The Sub-Fund may be suitable for investors seeking long term capital appreciation over the medium to long term through investing primarily in equities.

6. Classes of Shares available for subscription

**(or the equivalent in the relevant Reference Currency if not in USD)*

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Hedging Strategy	N/A	currency hedging	N/A	currency hedging	N/A
Minimum initial investment	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Minimum subsequent investment	USD 1,000*	USD 1,000*	USD 250,000*	USD 250,000*	N/A
Minimum holding amount	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Distribution policy	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS

Available Classes

Class R shares are reserved to retail investors.

Class I shares are reserved to Institutional Investors.

Class S shares are reserved to investors which have a separate agreement with the Investment Manager.

The Shares of Classes set out in the table above may be issued in the following Reference Currencies: USD, GBP, RMB, CHF, EUR, SGD, YEN, AUD, HKD. Shares issued in the aforementioned Reference Currencies will be issued as separate Classes.

Capital accumulation Classes and distribution Classes

The Shares of the Sub-Fund are available either as capital accumulation or distribution Shares.

Capital accumulation Shares are identifiable by "ACC" following the Class name and normally do not pay any dividends.

Distribution Shares are identifiable by "DIS" following the Class name. Distribution Shares may declare and pay dividends at least annually.

7. Fees and expenses

The Management Company Fees and Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Management Company Fee	Up to 0.05% per annum				
Investment Management Fee	Up to 1.5% per annum	Up to 1.5% per annum	Up to 0.75% per annum	Up to 0.75% per annum	N/A
Sales charge	Up to 5%				
Redemption charge	N/A	N/A	N/A	N/A	N/A
Conversion charge	N/A	N/A	N/A	N/A	N/A

The sales charge may be waived at the discretion of the Board of Directors or the Investment Manager.

8. Business Day/Valuation Day/Net Asset Value calculation

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg, Hong Kong and in Mainland China.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

9. Subscription

Shares of this Sub-Fund will not be offered, sold or privately placed in the United States and US Persons are not eligible for subscribing for Shares of this Sub-Fund.

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day increased, as the case may be, by any applicable sales charge, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications along with the relevant AML/KYC documentation must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than 2 Business Days after the relevant Valuation Day.

10. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than 4 Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

11. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

12. Historical Performance

Information on the historical performance of the Sub-Fund is disclosed in the relevant Key Investor Information Document, if available.

13. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Distributing (DIS) Shares will be distributed in part or in total at least annually.

14. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 5. "Risk considerations" in the general part of the Prospectus.

In addition, the following additional risk factors should be taken into consideration:

Political, Economic and Social Risks in Mainland China

Investments in Mainland China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to Mainland China. Investors should note that any change in the policies of the PRC may adversely impact on the securities markets in Mainland China as well as the performance of the Sub-Fund(s) concerned.

Mainland China Economic Risks

The economy of Mainland China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, 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 when compared with those of developed countries.

The economy in Mainland China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of Mainland China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

Legal and Regulatory Risk in Mainland China

The legal system of Mainland China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in Mainland China are relatively new and their application is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

Single Country Investment / Concentration Risk

As the Sub-Fund invests substantially in securities related to the growth of the PRC, it will be subject to risks inherent in the China market and additional concentration risks.

The Sub-Fund's portfolio may not be as well diversified in terms of the number of holdings and the number of issuers of securities that it may invest in as a broad-based fund, such as a global equity fund. Shareholders should also be aware that the Sub-Fund is likely to be more volatile than a broad-based fund as it is more susceptible to fluctuations in value resulting from limited number of holdings or from adverse conditions in the respective countries.

Renminbi related risks

RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. There are currently no repatriation limits that affect the Sub-Fund. If such policies change in future, the Sub-Fund's or the shareholders' position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-Fund or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Onshore versus offshore Renminbi differences risk

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that:

- (i) subscriptions and redemptions of shares may be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates; and
- (ii) the liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of Renminbi outside the PRC.

Risks relating to the QFI regime

The Sub-Fund is not a QFI but it may obtain access to securities issued within China directly and invest directly in QFI Eligible Securities investment via the QFI status of the Investment Manager.

Investors should note that QFI status could be suspended or revoked by reason of an act or omission of the QFI holder or for any other reasons, which may have an adverse effect on the Sub-Fund's performance as the Sub-Fund may no longer be able to invest directly into QFI Eligible Securities and be required to dispose of its securities holdings.

In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-Fund's liquidity and performance. The People's Bank of China ("PBOC") and the SAFE regulate and monitor the repatriation of funds out of the PRC by the QFI pursuant to the QFI Regulations. Repatriations by QFI in respect of the Sub-Fund conducted in RMB and/or foreign currencies are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. submission of certain documents when repatriating the realised cumulative profits). Completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits (if imposed in the future) may impact on the Sub-Fund's ability to meet redemption requests from the Shareholders. Furthermore, as the QFI Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI Custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

The current QFI Regulations include rules and restrictions on investments being made by a QFI which may be amended from time to time. Investors should also note that a QFI's domestic investment is currently subject to the following investment restrictions:

- (a) shares held by a single foreign investor in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange should not exceed 10% of the total outstanding shares of the listed company.

- (b) aggregate China A-Shares held by all foreign investors in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall not exceed 30% of total outstanding shares of the listed company.

Strategic investment in those listed companies by QFIs and other foreign investors in accordance with PRC law is not bound by the restrictions specified in paragraphs (a) and (b) above. Stricter limits on shareholding by QFIs and other foreign investors separately imposed by applicable laws, administrative regulations, or industrial policies in PRC, if any, shall prevail.

The rules and restrictions under QFI Regulations generally apply to the QFI as a whole and not simply to the investments made by the Sub-Fund. The Sub-Fund may therefore be adversely affected for reasons due to the investment of other schemes in China A-Shares via the QFI holder. For example, the Sub-Fund may be exposed to particular disclosure requirements or suffer from regulatory action linked to a breach of the QFI Regulations by the QFI holder.

The CSRC, PBOC and SAFE are vested with the power to impose regulatory sanctions if the QFI or the QFI Custodian violates certain provision of the QFI Regulations. In addition to the regulatory sanctions imposed by CSRC, PBOC and SAFE, Shanghai Stock Exchange, Shenzhen Stock Exchange and other PRC self-regulatory associates may also have the right to adopt self-regulatory measures and disciplinary punishments under certain circumstances, and if the circumstances are material, they are entitled to report the CSRC asking its investigation and taking further measures. Any violations could result in those sanctions in respect of the QFI as a whole and may adversely impact on the investment made by the Sub-Fund.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Sub-Fund. In extreme circumstances, the Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The Sub-Fund, which invests in the PRC markets through a QFI, may be adversely affected as a result of such changes.

Cash deposited with the QFI Custodian – Where a Sub-Fund invests in Mainland China through the QFI regime, such securities and cash will be held by the QFI Custodian pursuant to the PRC regulations. According to the current QFI Regulations, a QFI is allowed to appoint multiple local custodians. Investors should note that cash deposited in the cash accounts of the Sub-Fund with the QFI Custodian will not be segregated but will be a debt owing from the QFI Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash accounts, and the Sub-Fund will become an

unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the QFI Custodian. The Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer.

Application of QFI rules – The QFI rules described under the QFI regime are relatively new, and enable Renminbi and/or foreign currencies to be remitted into and repatriated out of the PRC pursuant to PRC Regulations. Application of the rules may depend on the interpretation given by the relevant Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund. In the worst scenario, the Investment Manager may determine that the Sub-Fund shall be terminated if it is not legal or viable to operate the Sub-Fund because of changes to the application of the relevant rules.

PRC brokerage risk – The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the QFI. There is a risk that the Sub-Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Sub-Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In the selection of PRC Brokers, the QFI will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI considers appropriate, it is possible that a single PRC Broker will be appointed and the Sub-Fund may not necessarily pay the lowest commission available in the market.

China-A Shares Investment Risks

Risks relating to China A-Shares market - The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. The price at which securities may be purchased or sold by the Sub-Fund and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for China A-Shares are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.

Securities exchanges in 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 PRC Stock Exchanges on China A-Shares, where trading in any China A-Share security on the relevant PRC Stock Exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. In addition, it is possible that the PRC government, relevant PRC stock exchanges and/or relevant regulatory authorities may from time to time introduce new measures to control the risk of substantial fluctuations in the China A-Shares market. A suspension will render it impossible for the Investment Manager to liquidate positions and can thereby expose the Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Investment Manager to liquidate positions at a favourable price.

PRC Taxation Risk

The Sub-Fund may be subject to Corporate Income Tax on withholding basis ("WIT") and other taxes imposed in Mainland China.

Corporate Income Tax ("CIT"):

If the Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-tax resident enterprise with an establishment or place of business ("PE") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, if the Sub-Fund is a non-PRC resident enterprise without a PE in the PRC, the income derived by it from the investment in PRC securities will generally be subject to a WIT at the rate of 10%, unless exempt or reduced under specific tax circulars or relevant tax treaty.

The Investment Manager intends to manage and operate the Sub-Fund in such a manner that the Sub-Fund should not be treated as a PRC tax resident enterprise or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

Any PRC WIT imposed on a QFI/A Share Access Products issuer would likely be recharged to, and borne by, the Sub-Fund under contractual agreement(s) with the QFI/A Share Access Products issuer. As such, the Sub-Fund is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority.

- (i) Capital gain

Trading of China A-Shares and A Share Access Products

On 14 November 2014, the Ministry of Finance (the "MoF"), the State Taxation Administration (the "STA") and the China Securities Regulatory Commission (the "CSRC") jointly released Caishui [2014] No.81 (the "Notice 81") which stipulates that PRC CIT will be temporarily exempted on capital gains derived by foreign investors on the trading of China A-Shares through Shanghai-Hong Kong Stock Connect. PRC CIT on capital gains derived by foreign investors in trading of China A-Shares through Shenzhen-Hong Kong Stock Connect will also be temporarily exempted as stipulated under Caishui [2016] No. 127 (the "Notice 127") which was released on 5 November 2016.

On 14 November 2014, the MoF, the STA and the CSRC jointly issued Caishui [2014] No. 79 (the "Notice 79") which stipulates that:

- 1) PRC corporate income tax will be imposed on gains derived by QFIIs and RQFIIs from the transfer of PRC equity investment assets (including China A-Shares) realised prior to 17 November 2014 in accordance with laws.

- 2) QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in China is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains realised from the transfer or PRC equity investment assets (including China A-Shares) effective from 17 November 2014.

In light of Notice No. 79, WIT on capital gain attributable to a Sub-Fund's investment in A-Share access products realized from 17 November 2014 onwards should be exempted if the A-Share access products issuers do not have an establishment or place in China or have an establishment in China but the income so derived in China is not effectively connected with such establishment.

Trading of China B-Shares

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the disposal of China B-Shares. Hence, the tax treatment for investment in China B-Shares is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, the Sub-Fund would be technically subject to 10% PRC WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties.

However, as a matter of practice, the 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-PRC tax resident enterprises from the trading of China B-Shares.

(ii) Dividend and deposit interest

Unless a specific exemption or reduction is available under current CIT Law and regulations or relevant tax treaties, non-tax resident enterprises without PE in the PRC are subject to WIT, generally at a rate of 10% on interests and dividend income arising from investments in the PRC securities. The entity distributing such interest and dividends is required to withhold such tax on behalf of the recipients. The Sub-Fund is subject to WIT at 10 % on deposit interest income, dividends received from China A-Shares traded via QFI and Stock Connect and from China B-Shares.

Under current regulations in the PRC, foreign investors (such as a Sub-Fund) may invest in onshore PRC securities (i.e. China A-Shares), generally, only through a QFI and Stock Connect. For China A-Shares invested via relevant QFI, since only the relevant QFI's interests in China A-Shares are recognised under PRC laws, any tax liability would, if it arises, be payable by the relevant QFI, subject to further interpretations and rules that may be issued in the future. However under the terms of the arrangement between the relevant QFI (i.e. the QFI holder or the issuers of A-Share Access Products) and a Sub-Fund, the relevant QFI will pass on any tax liability to the Sub-Fund. As such, the Sub-Fund is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority. Under current PRC tax laws and regulations, the relevant QFI (if without a PE in China) is subject to WIT of 10 % on dividends from China A-Shares unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

Value Added Tax ("VAT"):

(i) Capital gains

On 23 March 2016, the MoF and STA issued Caishui [2016] No. 36 (the "Notice 36") which shall take effect from 1 May 2016, unless otherwise stipulated therein. The Notice 6 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, e.g. China A-Shares, unless there is specific exemption.

Under the Notice 36 and Caishui [2016] No. 70, gains realised by QFIIs and RQFIIs from trading of PRC marketable securities are exempted from VAT. Under the Notice 36 and the Caishui [2016] No. 127, gains realised from trading of A Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are exempted from VAT. Therefore, to the extent that a Sub-Fund's investments (such as A-Shares through the Stock Connects) are conducted through these channels, the capital gains should be exempted from VAT.

The current VAT regulations do not provide VAT exemption on capital gains derived from trading of China B-Shares. It should be noted that the PRC tax authorities have not actively collected VAT from non-tax resident enterprises of the PRC on gains realised from China B-Shares in practice.

(ii) Dividend and Deposit Interest

Dividend income or profit distributions on equity investment and deposit interest income derived from China are not included in the taxable scope of VAT.

If VAT is applicable, there are also other local surtaxes (including Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge) that could amount to as high as 12% of the VAT payable.

Stamp duty:

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of China A-Shares and China B-Shares traded on the PRC stock exchanges. In the case of contracts for sale of China A-Shares and China B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

Tax Provisioning policy of the Sub-Fund:

In light of the above, the Investment Manager will at present implement the following PRC tax provisioning policy:

1. The Sub-Fund will not make WIT provision for gross realised and unrealised capital gains from trading of PRC equity investment assets (including China A-Shares).

2. The Sub-Fund will make a WIT provision of 10% on dividend from China A-Shares, China B-Shares, dividend from securities investments funds and interest from RMB bank deposits if WIT is not withheld at source.

General:

It should also be noted that the prevailing PRC tax regulations specified that the tax exemption on capital gains derived from the trading of China A-Shares from 17 November 2014 onwards is temporary. There is a possibility of the PRC tax rule, regulations and practice being changed and taxes being applied retrospectively. The PRC tax rules and practices in relation to QFI are new and tax treatment on capital gains derived by QFIs from trading of PRC securities other than equity investment assets could be uncertain and may change in the future. As such, there are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. As such, there is a risk that any tax provision made by the Investment Manager in respect of the Sub-Funds may be more than or less than the Sub-Fund's actual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed in/from the Sub-Fund.

If the actual tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new investors will be disadvantaged. On the other hand, if the actual tax levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, investors who have redeemed the shares before the actual tax liability is determined will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new investors may benefit if the difference between the tax provision and the actual tax liability can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, investors who have already redeemed their shares in the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Sub-Fund invests in, thereby reducing the income from, and/or value of the shares. The Investment Manager will closely monitor any further guidance issued by the relevant PRC tax authorities and adjust the provisioning policy of the Sub-Funds accordingly.

Investors should seek their own tax advice on their tax position with regard to their investment in any Sub-Fund.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange ("SZSE") and ChinaClear. The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through its Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014.

Under the Shanghai-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong broker may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following: "

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect investors in the PRC will be able to trade certain stocks listed on the SEHK. The Shenzhen-Hong Kong Stock Connect has commenced trading on 5 December 2016.

Under the Shenzhen-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong brokers may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H-Shares. At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A-Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A-Shares.

Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and Settlement System ("CCASS") participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connects, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

In accordance with the UCITS requirements, the Depository shall provide for the safekeeping of the Sub-Fund's assets in the PRC through its Global Custody Network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depository through its delegates must maintain appropriate

internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

In addition to risks regarding the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to the following additional risks:

Quota Limitations

The Stock Connects are subject to quota limitations. In particular, the Stock Connects are subject to a daily quota which does not belong to the Sub-Fund and can only be utilised on a first-come-first-served basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in China A-Shares through the Stock Connects on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership

The SSE and SZSE shares in respect of the Sub-Fund are held by the Depository/ sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Sub-Fund as the beneficial owners of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Sub-Fund under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE shares will be regarded as held for the beneficial ownership of the Sub-Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk

HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear

through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Sub-Fund's ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connects only operate on days when both the PRC 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 PRC market but the Sub-fund cannot carry out any China A-Shares trading via the Stock Connects. The Sub-Fund may be subject to a risk of price fluctuations in China A-Shares during the time when any of the Stock Connects is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Sub-Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

Operational Risk

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

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the 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 both markets through the program could be disrupted. The Sub-Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The Sub-Fund may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund

Investment in SSE and SZSE shares via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Sub-Fund are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE shares via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connects.

Risks associated with the Small and Medium Enterprise board and/or ChiNext market

The Sub-Fund may invest in the Small and Medium Enterprise ("**SME**") board and/or the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the Shenzhen Stock Exchange.

Over-valuation risk

Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer

circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk

It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Risk associated with small-capitalisation / mid-capitalisation companies

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

China A-Shares Access Product ("CAAP")

The Sub-Fund may invest in CAAP linked to China A-Shares in the PRC. Issuers of CAAP may deduct various charges, expenses or potential liabilities from the prices of the CAAP (including but not limited to any actual or potential tax liabilities determined by the CAAP issuer at its discretion) and such deduction is not refundable.

CAAPs may not be listed and are subject to the terms and conditions imposed by its issuer. These terms may lead to delays in implementing the Investment Manager's investment strategy. Investment in CAAPs can be illiquid as there may not be an active market in the CAAPs. In order to liquidate investments, the Sub-Fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs.

An investment in a CAAP is not an investment directly in the underlying investments (such as shares) themselves. An investment in the CAAP does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

The Sub-Fund will be subject to credit risk of the issuers of the CAAPs invested by the Sub-Fund. The Sub-Fund may suffer a loss if the issuers of the CAAPs invested by the Sub-Fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

Investments in REITs

The Sub-Fund may invest in REITs which themselves invest directly in real estate – under adverse market or economic conditions such assets may become illiquid or experience a drop in value. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

SUB-FUND PARTICULAR 2
HARVEST CHINA BONDS FUND

1. Name of the Sub-Fund

Harvest China Bonds Fund (the "Sub-Fund")

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The Sub-Fund's investment objective is to seek long term total return through a combination of capital appreciation and current income.

Investment Strategy

The Sub-Fund seeks to achieve its objective by investing, under normal market conditions, primarily in a portfolio of fixed income securities including but not limited to fixed rate or floating rate debt securities, convertible bonds, commercial papers, medium term notes, floating rate notes, bills, debentures and certificates of deposit, issued or guaranteed by governments, government agencies, government-related bodies, supranational institutions, financial institutions and corporations domiciled in China (including Hong Kong) or whose predominant business will benefit from or is related to the economic growth in China. The business of an entity will be considered to benefit from or be related to the economic growth in China if:

- it is organised under the laws of, or has its principal office in China (including Hong Kong); or
- the securities or instruments that it issues are primarily traded in the China (including Hong Kong) market; or
- it has substantial business dealings with entities from, or derives substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from China (including Hong Kong); or
- the relevant securities or instruments are denominated in RMB.

In particular, RMB denominated assets may be invested via the China offshore as well as the China onshore market. Investments in domestic securities via the Chinese onshore market will be done in exchange traded bonds and the CIBM through the QFI license granted by the CSRC to the Investment Manager and/or through Bond Connect.

The Sub-Fund may invest up to 20% of its net assets in contingent convertible securities.

The Sub-Fund may also invest up to 10% of its net assets in closed-ended real estate investment trusts (REITs).

Up to 10% of the Sub-Fund's net assets may from time to time also be invested in units of UCITS

and/or other UCIs whose investment objectives are substantially similar to the Sub-Fund (including open-ended exchange traded funds ("ETFs") qualifying as UCITS or other UCIs).

The Sub-Fund may also invest in closed-ended UCIs whose shares qualify as Transferable Securities.

Where the Sub-Fund invests in other UCITS and/or other UCIs managed by the Investment Manager, as per the investment restrictions applicable to this Sub-Fund, any initial charges on such investments will be waived.

The Sub-Fund will primarily invest in investment-grade securities and to a lesser extent in high yielding sub-investment grade securities. Investment grade securities are generally considered to be those rated Baa3 or short term P3 or better by Moody's Investor Services or BBB- or short term A-3 or better by Standard & Poor Corporation or Fitch, Inc or any equivalent rating by an internationally recognized credit rating agency. High yielding sub-investment grade securities are those securities rated lower than investment grade.

Where no credit rating is available from the aforementioned credit rating agencies, the Investment Manager will assess the credit quality of the relevant securities and assign its own internal rating based on its own documented assessment of credit quality.

The Sub-Fund may also temporarily invest up to 100% of its assets in interest-bearing debt securities in accordance with investment restriction III. f) of Appendix 1 "Investment Restrictions, Use of Financial Derivative Instruments and Investment Techniques" below, which include interest-bearing securities of United States of America, Japanese and European (EU Member States) government bonds.

The Sub-Fund will invest in financial derivative instruments for hedging and investment management purposes in accordance with the 2010 Law.

The investment policy may also be implemented through the use of suitable financial derivative instruments. These financial derivative instruments may include, among others, options, forwards, futures, future contracts on financial instruments and options on such contracts, as well as privately negotiated OTC contracts on any type of financial instrument, including swaps, forward-starting swaps, inflation swaps, excess return swaps, swaptions, constant maturity swaps, credit default swaps, and Total Return Swaps.

The Sub-Fund will not enter into Total Return Swaps on a continuous basis. This will be made on a temporary basis only, depending on market opportunities and as deemed relevant by the Investment Manager to achieve the Sub-Fund's investment objective.

In such a case, the expected proportion of assets under management for which Total Return Swaps may be entered into will be 5% of the Sub-Fund's assets.

The maximum proportion of assets under management for which Total Return Swaps may be entered into: up to 20% of the Sub-Fund's assets.

All non-RMB assets can be hedged to RMB through the use of currency forward contracts. The Sub-Fund aims to maintain an effective RMB exposure close to 100%.

The Sub-Fund may also invest in cash, certificates of deposit or bank deposits for liquidity management and portfolio diversification purposes

In selecting securities for the Sub-Fund, the Investment Manager pursues a combined approach of top-down and bottom-up research. In its top-down approach, the Investment Manager considers economic data on a global, regional and local basis (e.g., economic growth, monetary and fiscal policies and interest rate cycles) in order to identify longer-term macro trends and current themes which, in the view of the Investment Manager, are likely to impact markets. In its bottom-up approach, the Investment Manager uses a proprietary internal rating process and incorporates its sector views and strategies determined from the top-down approach.

As from 18 April 2022, the following paragraphs will apply:

The Sub-Fund does not have sustainable investment as its objective and no index has been designed as a reference benchmark but the Sub-Fund promotes, among other characteristics, environmental or social characteristics, or a combination of both, provided that the companies in which the investments are made follow good governance practices. The Investment Manager uses internal and external data sources provided by ESG research providers, proprietary models and local intelligence.

The Investment Manager's overall ESG strategy encompasses three main components: systematic integration, engagement and stewardship, as well as sustainable and thematic investment. The Investment Manager's ESG integration program combines both top-down and bottom-up approaches to incorporate perspectives from macro and security-level analysis, which lead to high-quality qualitative and quantitative ESG research analyses encompassing ESG issues, controversies and quantitative scoring. This program involves proprietary ESG scoring and research, regular ESG risk monitoring and alerts, all accessible through the ESG dashboard integrated in the Investment Manager's core investment platform and various communication mechanisms between ESG and investment teams to act upon material ESG issues. The ESG integration process includes i) negative screening of controversial weapons, tobacco, nuclear energy, controversial behaviours, controversial jurisdictions, drugs and adult entertainment, and conditional exclusion for alcohol, fossil fuels, coal, and gambling. ii) ESG quantitative scoring based on a proprietary ESG framework that is rooted in globally recognized ESG issues and locally-material ESG factors. iii) Qualitative analysis for core holdings and high ESG risk names. iv) Continuously monitor ESG momentum and measure ESG impact. v) Engagement and proxy voting. Companies will be removed from investment pool if it fails to meet internal ESG criteria.

In line with its ESG criteria, the Sub-Fund promotes environmental characteristic and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation. Due to the lack of reliable data, it is currently not possible to determine how and to what extent the Sub-Fund's underlying investments take into account the EU criteria for environmentally sustainable economic activities.

Additional information on the Investment Manager's ESG approach is available under <https://www.harvestglobal.uk/hgi/index.php/about-harvest/our-mission>

The Sub-Fund is actively managed. The Sub-Fund is managed in reference to the Bloomberg Barclays China Aggregate TR (Total Return) Index (the Benchmark) for the purpose of performance measurements, in

particular risk limitations. The investment strategy will restrict the extent to which the portfolio holdings may deviate from the Benchmark. This deviation may be limited. This is likely to limit the extent to which the Sub-Fund can outperform the Benchmark. The Benchmark is not consistent with the environmental and social characteristics as promoted.

Global exposure

The global exposure relating to this Sub-Fund will be calculated using a relative Value-at-Risk approach benchmarked against the Bloomberg Barclays China Aggregate TR (Total Return) Index. The expected maximum level of leverage of the Sub-Fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is 100%.

4. Investment Manager

The Investment Manager of the Sub-Fund is Harvest Global Investments Limited, 31/F One Exchange Square, 8 Connaught Place, Central, Hong Kong.

5. Profile of the typical investor

The Sub-Fund may be suitable for investors seeking long term total return over the medium to long term through investing primarily in fixed income securities.

6. Classes of Shares available for subscription

* (or the equivalent in the relevant Reference Currency if not in USD)

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Hedging Strategy	N/A	currency hedging	N/A	currency hedging	N/A
Minimum initial investment	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Minimum subsequent investment	USD 1,000*	USD 1,000*	USD 250,000*	USD 250,000*	N/A
Minimum holding amount	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Distribution policy	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS

Available Classes

Class R shares are reserved to retail investors.

Class I shares are reserved to Institutional Investors.

Class S shares are reserved to investors which have a separate agreement with the Investment Manager.

The Shares of Classes set out in the table above may be issued in the following Reference Currencies: USD, GBP, RMB, CHF, EUR, SGD, YEN, AUD, HKD. Shares issued in the aforementioned References Currencies will be issued as separate Classes.

Capital accumulation Classes and distribution Classes

The Shares of the Sub-Fund are available either as capital accumulation or distribution Shares.

Capital accumulation Shares are identifiable by "ACC" following the Class name and normally do not pay any dividends.

Distribution Shares are identifiable by "DIS" following the Class name. Distribution Shares may declare and pay dividends at least annually.

7. Fees and expenses

The Management Company Fees and Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Management Company Fee	Up to 0.05% per annum				
Investment Management Fee	Up to 0.90% per annum	Up to 0.90% per annum	Up to 0.45% per annum	Up to 0.45% per annum	N/A
Sales charge	Up to 5%				
Redemption charge	N/A	N/A	N/A	N/A	N/A
Conversion charge	N/A	N/A	N/A	N/A	N/A

The sales charge may be waived at the discretion of the Board of Directors or the Investment Manager.

8. Business Day/Valuation Day/Net Asset Value calculation

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg, Hong Kong and in Mainland China.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

9. Subscription

a) Subscriptions during the Initial Offer Period

The initial offer period for the Sub-Fund (the "Initial Offer Period") will be indicated on the website www.harvestglobal.uk/hgi/index.php/funds.

During the Initial Offer Period, subscriptions of Shares in the Sub-Fund will be accepted at an initial subscription price of USD 10 (or AUD/EUR/CHF/GBP/SGD 10 or RMB/HKD 100 or JPY 1,000) per Share (the "Initial Offering Price"), increased as the case may be, by any applicable sales charge, as disclosed under Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications along with the relevant AML&KYC documentation must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 5 p.m. (Luxembourg time) on the Business Day prior to the last day of the Initial Offer Period.

The subscription moneys must be received on the account of the Sub-Fund at the latest 2 Business Days after the last day of the Initial Offer Period.

b) Subscriptions after the Initial Offer Period

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day increased, as the case may be, by any applicable sales charge, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than 2 Business Days after the relevant Valuation Day.

10. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed in Section 7. "Fees and expenses" of

this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than 4 Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

11. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the relevant Business Day prior to the Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

12. Historical Performance

Information on the historical performance of the Sub-Fund is disclosed in the relevant Key Investor Information Document, if available.

13. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Distributing Shares (DIS) will be distributed in part or in total at least annually.

14. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 5. "Risk considerations" in the general part of the Prospectus.

In addition, the following additional risk factors should be taken into consideration:

Political, Economic and Social Risks in Mainland China

Investments in Mainland China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to Mainland China. Investors should note that any change in the policies of the PRC may adversely impact on the securities markets in Mainland China as well as the performance of the Sub-Fund(s) concerned.

Mainland China Economic Risks

The economy of Mainland China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, 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 when compared with those of developed countries.

The economy in Mainland China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of Mainland China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

Legal and Regulatory Risk in Mainland China

The legal system of Mainland China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in Mainland China are relatively new and their application is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

Renminbi related risks

RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. There are currently no repatriation limits that affect the Sub-Fund. If such policies change in future, the Sub-Fund's or the shareholders' position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-Fund or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Onshore versus offshore Renminbi differences risk

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi

held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that:

- (i) subscriptions and redemptions of shares may be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates; and
- (ii) the liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of Renminbi outside the PRC.

Risks relating to the QFI regime

The Sub-Fund is not a QFI but it may obtain access to securities issued within China directly and invest directly in QFI Eligible Securities investment via the QFI status of the Investment Manager.

Investors should note that QFI status could be suspended or revoked by reason of an act or omission of the QFI holder for any other reasons, which may have an adverse effect on the Sub-Fund's performance as the Sub-Fund may no longer be able to invest directly into QFI Eligible Securities and be required to dispose of its securities holdings.

In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-Fund's liquidity and performance. The People's Bank of China ("PBOC") and the SAFE regulate and monitor the repatriation of funds out of the PRC by the QFI pursuant to the QFI Regulations. Repatriations by QFIs in respect of the Sub-Fund conducted in RMB and /or foreign currencies are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. submission of certain documents when repatriating the realised cumulative profits). Completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits (if imposed in the future) may impact on the Sub-Fund's ability to meet redemption requests from the Shareholders. Furthermore, as the QFI Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI Custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

The current QFI Regulations include rules and restrictions on investments being made by a QFI which may be amended from time to time. Investors should also note that a QFI's domestic investment is currently subject to the following investment restrictions:

- (a) shares held by a single foreign investor in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange should not exceed 10% of the total outstanding shares of the listed company.

- (b) aggregate China A-Shares held by all foreign investors in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall not exceed 30% of total outstanding shares of the listed company.

Strategic investment in those listed companies by QFIs and other foreign investors in accordance with PRC law is not bound by the restrictions specified in paragraphs (a) and (b) above. Stricter limits on shareholding by QFIs and other foreign investors separately imposed by applicable laws, administrative regulations, or industrial policies in PRC, shall prevail.

The rules and restrictions under QFI Regulations generally apply to the QFI as a whole and not simply to the investments made by the Sub-Fund. The Sub-Fund may therefore be adversely affected for reasons due to the investment of other schemes in China A-Shares via the QFI holder. For example, the Sub-Fund may be exposed to particular disclosure requirements or suffer from regulatory action linked to a breach of the QFI Regulations by the QFI holder.

The CSRC, PBOC and SAFE are vested with the power to impose regulatory sanctions if the QFI or the RQFII Custodian violates certain provision of the QFI Regulations. In addition to the regulatory sanctions imposed by CSRC, PBOC and SAFE, Shanghai Stock Exchange, Shenzhen Stock Exchange and other PRC self-regulatory associates may also have the right to adopt self-regulatory measures and disciplinary punishments under certain circumstances, and if the circumstances are material, they are entitled to report to CSRC asking its investigation and taking further measures. Any violations could result in those sanctions in respect of the QFI as a whole and may adversely impact on the investment made by the Sub-Fund.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Sub-Fund. In extreme circumstances, the Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The Sub-Fund, which invests in the PRC markets through a QFI, may be adversely affected as a result of such changes.

Cash deposited with the QFI Custodian – Where a Sub-Fund invests in Mainland China through the QFI regime, such securities and cash will be held by the QFI Custodian pursuant to the PRC regulations. According to the current QFI Regulations, a QFI is allowed to appoint multiple local custodians. Investors should note that cash deposited in the cash accounts of the Sub-Fund with the QFI Custodian will not be segregated but will be a debt owing from the QFI Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash accounts, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the QFI Custodian. The

Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer.

Application of QFI rules – The QFI rules under the QFI regime are relatively new, and enable Renminbi and/or foreign currencies to be remitted into and repatriated out of the PRC pursuant to PRC Regulations. Application of the rules may depend on the interpretation given by the relevant Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund. In the worst scenario, the Investment Manager may determine that the Sub-Fund shall be terminated if it is not legal or viable to operate the Sub-Fund because of changes to the application of the relevant rules.

PRC brokerage risk – The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the QFI. There is a risk that the Sub-Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Sub-Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In the selection of PRC Brokers, the QFI will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI considers appropriate, it is possible that a single PRC Broker will be appointed and the Sub-Fund may not necessarily pay the lowest commission available in the market.

Risks relating to the China Interbank Bond Market (the "CIBM")

The CIBM is an OTC market established in 1997. Currently, more than 95% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, central bank papers, policy bank bonds and corporate bonds.

The CIBM is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks and may suffer losses in trading Mainland China bonds. The bid and offer spreads of the prices of the Mainland China bonds may be large, and the relevant Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

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

The CIBM is also subject to regulatory risks. Due to irregularities in the CIBM trading activities, the China Government Securities Depository Trust & Clearing Co. (the central clearing entity) suspended new account opening on the CIBM for specific types of products. Although investment funds that are mutual funds offered to the public were not affected, there is no assurance that future regulatory actions

will not affect such funds. If accounts are suspended, or cannot be opened, the Sub-Fund's ability to invest in the CIBM will be limited and it may suffer substantial losses as a result.

Risks relating to investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("**Northbound Trading Link**"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People's Bank of China ("**PBOC**") as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Sub-Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

PRC Taxation Risk

The Sub-Fund may be subject to Corporate Income Tax on withholding basis ("**WIT**") and other taxes imposed in Mainland China.

Corporate Income Tax ("**CIT**"):

If the Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-tax resident enterprise with an

establishment or place of business ("**PE**") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, if the Sub-Fund is a non-PRC resident enterprise without a PE in the PRC, the income derived by it from the investment in PRC securities will generally be subject to a WIT at the rate of 10%, unless exempt or reduced under specific tax circulars or relevant tax treaty.

The Investment Manager intends to manage and operate the Sub-Fund in such a manner that the Sub-Fund should not be treated as a PRC tax resident enterprise or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

(i) Interest

Currently, for corporate bonds issued by PRC tax resident enterprises, a 10% PRC WIT is payable on interests derived by a foreign investor which is deemed as a non-tax resident enterprise without a PE in China for PRC CIT purpose. The entity distributing the interest is required to withhold WIT.

Interest derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from CIT under the PRC CIT Law.

On 7 November 2018, the Ministry of Finance of the PRC ("MOF") and the State Taxation Administration of the PRC ("STA") issued Caishui [2018] No. 108 ("Circular 108"), which stipulated that foreign institutional investors are temporarily exempted from PRC WIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption policy would be extended after 6 November 2021.

(ii) Capital gain

Trading of debt instruments issued by PRC tax resident enterprises via QFI, CIBM and Bond Connect

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the capital gains derived by foreign investors from disposal of debt instruments issued by PRC tax resident enterprises via QFI, CIBM and Bond Connect. In the absence of specific taxation rule, the tax treatment for investment in debt instruments issued by PRC tax resident enterprises is governed by the general taxing provisions of the CIT Law. For an enterprise that is not a tax resident enterprise and has no PE in the PRC for CIT purpose, 10% PRC WIT would potentially apply to on the PRC-sourced capital gains derived from disposal of these securities, unless exempt or reduced under relevant double tax treaties.

Pursuant to Article 7 of the Detailed Implementation Regulations of the PRC CIT Law where the property concerned is a movable property, the source shall be determined according to the location of the enterprise, establishment or place which transfer the property. The PRC tax authorities have verbally indicated that debt instruments issued by PRC tax resident enterprises are movable property. In this

case, the source shall be determined based on the location of the transferor. As the Sub-Fund is located outside of the PRC, gains derived by the Sub-Fund from disposal of the debt instruments issued by the PRC enterprises could be argued as offshore source and thus not subject to PRC WIT.

However, there is no written confirmation issued by the PRC tax authorities that the debt instruments issued by PRC tax resident enterprises are movable property.

In addition to the verbal comments, Article 13.6 of the Arrangement between Mainland China and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital (the "China-Lux Arrangement") provides that any gains derived by a Luxembourg tax resident from the disposal of PRC properties that are not referred to as in Articles 13.1 to 13.5 of the China-Lux Arrangement shall be taxable only in Luxembourg. As the debt instruments issued by the PRC tax resident enterprises are not referred to in Article 13.1 to 13.5 of the China-Lux Arrangement, capital gains derived by Luxembourg tax resident from the disposal of debt instruments issued by a PRC tax resident enterprise should technically be exempted from PRC WIT provided all the other relevant treaty conditions are satisfied (including a Tax Residency Certificate issued by the Luxembourg tax authority), subject to agreement by the PRC tax authorities. In order to qualify for this preferential treatment, Investment Manager will further assess and seek agreement from the PRC tax authorities in relation to the Sub-Fund, although this cannot be guaranteed.

However, as a matter of practice, the 10% WIT has not been strictly enforced by local tax bureau on capital gains derived from non-PRC tax resident enterprises from the trading of these securities.

Value Added Tax ("VAT"):

(i) Capital gain

On 23 March 2016, the MoF and the STA issued Caishui [2016] No. 36 (the "Notice 36") which shall take effect from 1 May 2016, unless otherwise stipulated therein. The Notice No. 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities unless there is specific exemption.

Under the Notice 36 and Caishui [2016] No. 70 (the "Notice 70"), gains realised by QFIIs and RQFIIs from trading of PRC marketable securities are exempted from VAT. Gains realised by approved foreign investors from trading of RMB denominated debt securities in the CIBM are also exempt from VAT. There is no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through "Northbound Trading" should also not be subject to China VAT.

(ii) Interest

Pursuant to Notice No. 36, interest income derived from bonds issued by PRC tax resident enterprise should be subject to 6% VAT plus local surtaxes, unless specifically exempted. Interest income derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempted from VAT.

Notice 36 and Notice 70 do not specifically exempt VAT on interest income earned by QFIIs / RQFIIs or foreign investors. Hence, interest income on non-government bonds (including corporate bonds) technically should be subject to VAT at 6% under Notice 36 and Notice 70. According to Circular 108, foreign institutional investors are temporarily exempted from PRC VAT in respect of bond coupon interest income received from 7 November 2018 and 6 November 2021 from investments in China bond market. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption would be extended after 6 November 2021.

If VAT is applicable, there are also other local surtaxes (including Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge) that could amount to as high as 12% of the VAT payable.

Tax Provisioning policy of the Sub-Fund:

In light of the above, the Investment Manager having consulted independent and professional tax advice will at present implement the following PRC tax provisioning policy:

1. The Sub-Fund will not make WIT provision for gross realised and unrealised capital gains derived from trading of PRC debt securities.
2. The Sub-Fund will make a WIT provision of 10% on bond interest received before 7 November 2018 or after 6 November 2021, from RMB denominated bonds (except PRC government bonds which are State treasury bonds issued by the in-charge finance department of the State Council of the PRC) issued by PRC tax resident enterprises, dividend from securities investments funds and interest from RMB bank deposits if WIT is not withheld at source.
3. For bond interest received before 7 November 2018 or after 6 November 2021, the Sub-Fund will make a provision in an amount equal to the total of (i) for VAT, 6% of the bond interest (except PRC government bonds or local government bonds) derived by the Sub-Fund; plus (ii) for the potential local surtaxes on VAT, 12% of the VAT amount stated in (i).

General:

There is a possibility of the PRC tax rule, regulations and practice being changed and taxes being applied retrospectively. Tax treatment on capital gains derived by QFIs from trading of PRC securities other than equity investment assess could be uncertain and may change in the future. The potential application of tax treaties is uncertain. As such, there are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. As such, there is a risk that any tax provision made by the Investment Manager in respect of the Sub-Fund may be more than or less than the Sub-Fund's actual tax liabilities.

Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed in/from the Sub-Fund.

If the actual tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new investors will be disadvantaged. On the other hand, if the actual tax levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, investors who have redeemed the shares before the actual tax liability is determined will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new investors may benefit if the difference between the tax provision and the actual tax liability can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, investors who have already redeemed their shares in the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Sub-Fund. The Investment Manager will closely monitor any further guidance issued by the PRC tax authorities and adjust the provisioning policy of the Sub-Fund according.

Investors should seek their own tax advice on their tax position with regard to their investment in any Sub-Fund.

Risks concerning Asian currencies

Insofar as the Sub-Fund invests in Asian Region fixed income and debt instruments denominated in the relevant local currency, the Sub-Fund may be subject to additional exchange rate risks. Emerging markets may be subject to additional political, social, economic, regulatory and settlement risks, these factors may adversely affect the exchange rates of emerging market currencies and hence the value of the securities held by the Sub-Fund. Adverse economic developments (such as trade barriers, exchange controls, managed adjustments in relative currency and other protectionist measures imposed or negotiated by the countries with which they trade) and/or political events (including changes in foreign exchange policies), may result in substantial depreciation in currency exchange rates or unstable currency fluctuations. As a result, currencies of emerging markets may be more volatile than major world currencies such as USD, EUR or GBP.

Sovereign risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations issued or guaranteed by governments or their agencies of such countries may involve a high degree of risk. The willingness or ability of a governmental entity to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due and the relative size of the debt service burden to the economy as a whole.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others agencies abroad to reduce principal and arrearage on their debts. However, failure to implement economic reforms or achieve a required level of economic performance or repay debts when due may result in the cancellation of these third parties' commitments to continuously lend funds to a governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

In case of default, holders of sovereign debts (including a Sub-Fund) may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant governmental entities. In addition, a Sub-Fund may invest in securities issued or guaranteed by the government of a country with a sovereign credit rating below investment grade. The performance and value of the Sub-Fund could deteriorate should there be any adverse credit events in the sovereign, in particular if there is downgrading of the sovereign credit rating or a default or bankruptcy of a sovereign occurs. There are no bankruptcy proceedings by which sovereign debt on which a governmental entity has defaulted may be recovered in whole or in part.

Investments in REITs

The Sub-Fund may invest in REITs which themselves invest directly in real estate – under adverse market or economic conditions such assets may become illiquid or experience a drop in value. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

Contingent Convertible Securities (CoCos)

The Sub-Fund may invest in contingent securities structured as contingent convertible securities also known as CoCos.

Contingent convertible securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible securities can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible securities are risky and highly complex instruments. Coupon payments on contingent convertible securities are discretionary and may at times also be ceased or deferred by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level, or the share price of the issuer falling to a particular level for a certain period of time.

Contingent convertible securities are also subject to additional risks specific to their structure including:

► Trigger Level Risk

Trigger levels differ and determine exposure to conversion risk. It might be difficult for the Investment Manager of the Sub-Fund invested in contingent convertible securities to anticipate the trigger events that would require the debt to convert into equity or the write down to zero of principal investment and/or accrued interest. Trigger events may include: (i) a reduction in the issuing bank's Core Tier 1/

Common Equity Tier 1 (CT1/CET1) ratio or other ratios, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible securities into equity or write down, in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.

▶ Coupon Cancellation

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

The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

▶ Capital structure inversion risk

Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated. This is contrary to the normal order of the capital structure where equity holders are expected to suffer the first loss.

▶ Call Extension Risk

Some contingent convertible securities are issued as perpetual instruments and only callable at pre-determined levels upon approval of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible securities will be called on a call date. Contingent convertible securities are a form of permanent capital. The investor may not receive return of principal as expected on call date or indeed at any date.

▶ Conversion Risk

Trigger levels differ between specific contingent convertible securities and determine exposure to conversion risk. It might be difficult at times for the Investment Manager of the Sub-Fund to assess how the contingent convertible securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares since the investment policy of the Sub-Fund may not allow the holding of equity securities. Given the trigger event is likely to be some event depressing the value of the issuer's common equity, this forced sale may result in the Sub-Fund experiencing some loss.

► Valuation and Write-Down Risk

Contingent convertible securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, the Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

► Market Value Fluctuations Due to Unpredictable Factors

The value of contingent convertible securities is unpredictable and will be influenced by many factors including, without limitation (i) creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the contingent convertible securities; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

► Liquidity Risk

In certain circumstances finding a buyer ready to invest in contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

► Sector Concentration Risk

Contingent convertible securities are issued by banking and insurance institutions. The performance of the Sub-Fund which invests significantly in contingent convertible securities will depend to a greater extent on the overall condition of the financial services industry than for the Sub-Fund following a more diversified strategy.

► Subordinated Instruments

Contingent convertible securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible securities, such as the Sub-Fund, against the issuer in respect of or arising under the terms of the contingent convertible securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

► Unknown Risk

The structure of contingent convertible securities is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

► Risks associated with non-investment grade debt instruments

To the extent the Sub-Fund invests in sub-investment grade debt securities or non-rated debt securities, the Sub-Fund may realise a higher current yield than the yield offered by higher-rated securities, but such investments are also associated with greater risks because of generally reduced credit worthiness and liquidity, greater price volatility, greater risk of loss of income and principal including the chance of default by or bankruptcy of the issuers of such securities.

► Risks associated with high yield debt instruments

The Sub-Fund may invest in high yield fixed-income securities which carry higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a sub-fund that invests in investment grade fixed-income securities.

High yield fixed income securities includes sub-investment grade (i.e. non-investment grade) and higher yielding fixed income securities rated investment grade but which are of comparable credit quality to sub-investment grade rated securities. Credit risk is greater for investments in high yield fixed-income securities than for investment grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

SUB-FUND PARTICULAR 3
HARVEST ASIAN BOND FUND

1. Name of the Sub-Fund

Harvest Asian Bond Fund

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The Sub-Fund's investment objective is to seek long term total return through a combination of capital appreciation and current income.

Investment Strategy

The Sub-Fund seeks to achieve its objective by investing, under normal market conditions, at least 80% of its net assets in a portfolio of fixed income securities of Asian issuers, and other instruments with economic characteristics similar to such securities, which may include, but are not limited to, bonds, convertible bonds, commercial paper, medium term notes and floating rate notes. Asian issuers include governments, and the agencies and instrumentalities of governments, in the China and Asian region. In addition, a company is considered to be an Asian issuer if: (i) at least 50% of the company's assets are located in the China and Asian region; (ii) at least 50% of the company's revenue is generated in the China and Asian region; (iii) the company is organized or maintains its principal place of business in the China and Asian region; or (iv) the company's securities are traded principally in the China and Asian region. Countries in the China and Asian region include China (including Hong Kong), Taiwan, South Korea, Malaysia, Singapore, Thailand, Philippines, Indonesia, India, Mongolia, Vietnam, Japan and Sri Lanka. The Sub-Fund invests primarily in securities that are denominated in US dollars, Euro, RMB or other local Asian currencies.

RMB denominated assets may be invested via the onshore as well as offshore China market. Investments into onshore China market may be carried out via, but not limited to, QFI license granted by the CSRC to the Investment Manager and Bond Connect (a program that provides foreign investors with access to China's onshore bond market) on exchange and China Interbank Bond Market (the "CIBM"), respectively.

The Sub-Fund may also invest in participatory notes or other structured or derivative instruments and exchange traded funds ("ETFs") to gain exposure to, among other things, PRC domestic fixed income securities, and may invest in Renminbi-denominated fixed income securities traded on the CNH market, which is an over-the-counter market located in countries other than the PRC, such as Hong Kong or Singapore, that may be accessed by investors located outside of the PRC.

The Sub-Fund may invest up to 20% of its net assets in contingent convertible securities.

Up to 10% of the Sub-Fund's net assets may from time to time also be invested in units of UCITS and/or other UCIs whose investment objectives are substantially similar to the Sub-Fund (including open-ended exchange traded funds ("ETFs") qualifying as UCITS or other UCIs).

The Sub-Fund may also invest in closed-ended UCIs whose shares qualify as Transferable Securities.

Additionally, the Sub-Fund may invest in forward currency contracts and currency futures to hedge non-U.S. dollar-denominated exposure and bond futures to hedge against fluctuations in interest rates.

The Sub-Fund may invest in investment-grade and, up to 50% of its net assets, in high yielding sub-investment grade securities. Investment grade securities are generally considered to be those rated Baa3 or better by Moody's Investor Services or BBB- or better by Standard & Poor Corporation or Fitch, Inc. High yielding sub-investment grade securities are those securities rated lower than investment grade.

The Sub-Fund may also invest in unrated securities which are determined by the Investment Manager to be of comparable quality. The Sub-Fund may purchase securities of various maturities.

Where no credit rating is available from the aforementioned credit rating agencies, the Investment Manager will assess the credit quality of the relevant securities and assign its own internal rating based on its own documented assessment of credit quality.

The Sub-Fund will invest in financial derivative instruments for hedging and investment management purposes in accordance with the 2010 Law. These financial derivative instruments may include, among others, options, forwards, futures, future contracts on financial instruments and options on such contracts, as well as privately negotiated OTC contracts on any type of financial instrument, including swaps, forward-starting swaps, inflation swaps, excess return swaps, swaptions, constant maturity swaps, and credit default swaps.

The Sub-Fund may also invest in cash, certificates of deposits or bank deposits for liquidity management and portfolio diversification purposes.

In selecting securities for the Sub-Fund, the Investment Manager pursues a combined approach of top-down and bottom-up research. In its top-down approach, the Investment Manager considers economic data on a global, regional and local basis (e.g., economic growth, monetary and fiscal policies and interest rate cycles) in order to identify longer-term macro trends and current themes which, in the view of the Investment Manager, are likely to impact markets. In its bottom-up approach, the Investment Manager uses a proprietary internal rating process and incorporates its sector views and strategies determined from the top-down approach.

Access products such as participatory notes or other structured or derivative instruments and ETFs with economic characteristics similar to fixed income securities of Asian issuers will be included as investments that satisfy the Sub-Fund's 80% policy, described above.

The Sub-Fund may buy and sell securities frequently in seeking to achieve its objective.

As from 18 April 2022, the following paragraphs will apply:

The Sub-Fund does not have sustainable investment as its objective and no index has been designed as a reference benchmark but the Sub-Fund promotes, among other characteristics, environmental or social characteristics, or a combination of both, provided that the companies in which the investments are made follow good governance practices. The Investment Manager uses internal and external data sources provided by ESG research providers, proprietary models and local intelligence.

The Investment Manager's overall ESG strategy encompasses three main components: systematic integration, engagement and stewardship, as well as sustainable and thematic investment. The Investment Manager's ESG integration program combines both top-down and bottom-up approaches to incorporate perspectives from macro and security-level analysis, which lead to high-quality qualitative and quantitative ESG research analyses encompassing ESG issues, controversies and quantitative scoring. This program involves proprietary ESG scoring and research, regular ESG risk monitoring and alerts, all accessible through the ESG dashboard integrated in the Investment Manager's core investment platform and various communication mechanisms between ESG and investment teams to act upon material ESG issues. The ESG integration process includes i) negative screening of controversial weapons, tobacco, nuclear energy, controversial behaviours, controversial jurisdictions, drugs and adult entertainment, and conditional exclusion for alcohol, fossil fuels, coal, and gambling. ii) ESG quantitative scoring based on a proprietary ESG framework that is rooted in globally recognized ESG issues and locally-material ESG factors. iii) Qualitative analysis for core holdings and high ESG risk names. iv) Continuously monitor ESG momentum and measure ESG impact. v) Engagement and proxy voting. Companies will be removed from investment pool if it fails to meet internal ESG criteria.

In line with its ESG criteria, the Sub-Fund promotes environmental characteristic and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation. Due to the lack of reliable data, it is currently not possible to determine how and to what extent the Sub-Fund's underlying investments take into account the EU criteria for environmentally sustainable economic activities.

Additional information on the Investment Manager's ESG approach is available under <https://www.harvestglobal.uk/hgi/index.php/about-harvest/our-mission>

The Sub-Fund is actively managed. The Sub-Fund is managed in reference to JP Morgan Asia Credit Total Return Index (the Benchmark) for the purpose of performance measurements, in particular risk limitations. The investment strategy will restrict the extent to which the portfolio holdings may deviate from the Benchmark. This deviation may be limited. This is likely to limit the extent to which the Sub-Fund can outperform the Benchmark. The Benchmark is not consistent with the environmental and social characteristics as promoted.

Global exposure

The global exposure relating to this Sub-Fund will be calculated using a relative Value-at-Risk approach benchmarked against the JP Morgan Asia Credit Total Return Index. The expected maximum level of leverage of the Sub-Fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is 100%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility.

4. Investment Manager

The Investment Manager of the Sub-Fund is Harvest Global Investments Limited, 31/F One Exchange Square, 8 Connaught Place, Central, Hong Kong.

5. Profile of the typical investor

The Sub-Fund may be suitable for investors seeking long term total return through a combination of capital appreciation and current income over the medium to long term through investing primarily in fixed income securities.

6. Classes of Shares available for subscription

**(or the equivalent in the relevant Reference Currency if not in USD)*

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Hedging Strategy	N/A	currency hedging	N/A	currency hedging	N/A
Minimum initial investment	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Minimum subsequent investment	USD 1,000*	USD 1,000*	USD 250,000*	USD 250,000*	N/A
Minimum holding amount	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Distribution policy	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS

Available Classes

Class R shares are reserved to retail investors.

Class I shares are reserved to Institutional Investors.

Class S shares are reserved to investors which have a separate agreement with the Investment Manager.

The Shares of Classes set out in the table above may be issued in the following Reference Currencies: USD, RMB, CHF, EUR, SGD, YEN, AUD, HKD. Shares issued in the aforementioned References Currencies will be issued as separate Classes.

Capital accumulation Classes and distribution Classes

The Shares of the Sub-Fund are available either as capital accumulation or distribution Shares.

Capital accumulation Shares are identifiable by "ACC" following the Class name and normally do not pay any dividends.

Distribution Shares are identifiable by "DIS" following the Class name. Distribution Shares may declare and pay dividends at least annually.

7. Fees and expenses

The Management Company Fees and Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Management Company Fee	Up to 0.05% per annum				
Investment Management Fee	Up to 0.90% per annum	Up to 0.90% per annum	Up to 0.45% per annum	Up to 0.45% per annum	N/A
Sales charge	Up to 5%				
Redemption charge	N/A	N/A	N/A	N/A	N/A
Conversion charge	N/A	N/A	N/A	N/A	N/A

The sales charge may be waived at the discretion of the Board of Directors or the Investment Manager.

8. Business Day/Valuation Day/Net Asset Value calculation

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg, Hong Kong and in Mainland China.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

9. Subscription

Shares of this Sub-Fund will not be offered, sold or privately placed in the United States and US Persons are not eligible for subscribing for Shares of this Sub-Fund.

a) Subscriptions during the Initial Offer Period

The initial offer period for the Sub-Fund ("the Initial Offer Period") will be indicated on the website www.harvestglobal.uk/hgi/index.php/funds.

During the Initial Offer Period, subscriptions of Shares in the Sub-Fund will be accepted at an initial subscription price of USD 10 (or AUD/EUR/CHF/GBP/SGD 10 or RMB/HKD 100 or JPY 1,000) per Share (the "Initial Offering Price"), increased as the case may be, by any applicable sales charge, as disclosed under Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications along with the relevant AML&KYC documentation must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 5 p.m. (Luxembourg time) on the Business Day prior to the last day of the Initial Offer Period.

The subscription moneys must be received on the account of the Sub-Fund at the latest 2 Business Days after the last day of the Initial Offer Period.

b) Subscriptions after the Initial Offer Period

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day increased, as the case may be, by any applicable sales charge, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications along with the relevant AML/KYC documentation must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than 2 Business Days after the relevant Valuation Day.

10. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than 4 Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

11. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

12. Historical Performance

Information on the historical performance of the Sub-Fund is disclosed in the relevant Key Investor Information Document, if available.

13. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation to Distributing (DIS) Shares will be distributed in part or in total at least annually.

14. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 5. "Risk considerations" in the general part of the Prospectus.

In addition, the following additional risk factors should be taken into consideration:

Political, Economic and Social Risks in Mainland China

Investments in Mainland China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to Mainland China. Investors should note that any change in the policies of the PRC may adversely impact on the securities markets in Mainland China as well as the performance of the Sub-Fund(s) concerned.

Mainland China Economic Risks

The economy of Mainland China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, 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 when compared with those of developed countries.

The economy in Mainland China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of Mainland China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

Legal and Regulatory Risk in Mainland China

The legal system of Mainland China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in Mainland China are relatively new and their application is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

Renminbi related risks

RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. There are currently no repatriation limits that affect the Sub-Fund. If such policies change in future, the Sub-Fund's or the shareholders' position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-Fund or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Onshore versus offshore Renminbi differences risk

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that:

- (i) subscriptions and redemptions of shares may be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates; and
- (ii) the liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of Renminbi outside the PRC.

Risks relating to the QFI regime

The Sub-Fund is not a QFI but it may obtain access to securities issued within China directly and invest directly in QFI Eligible Securities investment via the QFI status of the Investment Manager.

Investors should note that QFI status could be suspended or revoked by reason of an act or omission of the QFI holder or for any other reasons, which may have an adverse effect on the Sub-Fund's performance as the Sub-Fund may no longer be able to invest directly into QFI Eligible Securities and be required to dispose of its securities holdings.

In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-Fund's liquidity and performance. The People's Bank of China ("PBOC") and the SAFE regulate and monitor the repatriation of funds out of the PRC by the QFI pursuant to the QFI Regulations. Repatriations by QFIs in respect of the Sub-Fund conducted in RMB and/or foreign currencies are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. submission of certain documents when repatriating the realized cumulative profits). Completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits (if imposed in the future) may impact on the Sub-Fund's ability to meet redemption requests from the Shareholders. Furthermore, as the QFI Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI Custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

The current QFI Regulations include rules and restrictions on investments being made by a QFI which may be amended from time to time. Investors should also note that a QFII's domestic investment is currently subject to the following investment restrictions:

- (a) shares held by a single foreign investor in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange should not exceed 10% of the total outstanding shares of the listed company.

- (b) aggregate China A-Shares held by all foreign investors in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall not exceed 30% of total outstanding shares of the listed company.

Strategic investment in those listed companies by QFIs and other foreign investors in accordance with PRC law is not bound by the restrictions specified in paragraphs (a) and (b) above. Stricter limits on shareholding by QFIs and other foreign investors separately imposed by applicable laws, administrative regulations, or industrial policies in PRC, if any, shall prevail.

The rules and restrictions under QFI Regulations generally apply to the QFI as a whole and not simply to the investments made by the Sub-Fund. The Sub-Fund may therefore be adversely affected for reasons due to the investment of other schemes in China A-Shares via the QFI holder. For example, the Sub-Fund may be exposed to particular disclosure requirements or suffer from regulatory action linked to a breach of the QFI Regulations by the QFI holder.

The CSRC, PBOC and SAFE are vested with the power to impose regulatory sanctions if the RFI or the QFI Custodian violates any provision of the QFI Regulations. In addition to the regulatory sanctions imposed by CSRC, PBOC and SAFE, Shanghai Stock Exchange, Shenzhen Stock Exchange and other PRC self-regulatory associates may also have the right to adopt self-regulatory measures and disciplinary punishments under certain circumstances, and if the circumstances are material, they are entitled to report the CSRC asking its investigation and taking further measures. Any violations could result in those sanctions in respect of the QFI as a whole and may adversely impact on the investment made by the Sub-Fund.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Sub-Fund. In extreme circumstances, the Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to RQFII investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The Sub-Fund, which invests in the PRC markets through a QFI, may be adversely affected as a result of such changes.

Cash deposited with the QFI Custodian – Where a Sub-Fund invests in Mainland China through the QFI regime, such securities and cash will be held by the QFI Custodian pursuant to the PRC regulations. According to the current QFI Regulations, a QFI is allowed to appoint multiple local custodians. Investors should note that cash deposited in the cash accounts of the Sub-Fund with the QFI Custodian will not be segregated but will be a debt owing from the QFI Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash accounts, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the QFI Custodian. The

Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer.

Application of QFI rules – The QFI rules described under the QFI regime are relatively new, and enable Renminbi and/or foreign currencies to be remitted into and repatriated out of the PRC pursuant to PRC Regulations. Application of the rules may depend on the interpretation given by the relevant Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund. In the worst scenario, the Investment Manager may determine that the Sub-Fund shall be terminated if it is not legal or viable to operate the Sub-Fund because of changes to the application of the relevant rules.

PRC brokerage risk – The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the QFI. There is a risk that the Sub-Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Sub-Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In the selection of PRC Brokers, the QFI will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI considers appropriate, it is possible that a single PRC Broker will be appointed and the Sub-Fund may not necessarily pay the lowest commission available in the market.

Risks relating to the China Interbank Bond Market

The CIBM is an OTC market established in 1997. Currently, more than 95% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, central bank papers, policy bank bonds and corporate bonds.

The CIBM is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks and may suffer losses in trading Mainland China bonds. The bid and offer spreads of the prices of the Mainland China bonds may be large, and the relevant Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

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

The CIBM is also subject to regulatory risks. Due to irregularities in the CIBM trading activities, the China Government Securities Depository Trust & Clearing Co. (the central clearing entity) suspended new account opening on the CIBM for specific types of products. Although investment funds that are mutual funds offered to the public were not affected, there is no assurance that future regulatory actions

will not affect such funds. If accounts are suspended, or cannot be opened, the Sub-Fund's ability to invest in the CIBM will be limited and it may suffer substantial losses as a result.

Risks relating to investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People's Bank of China ("PBOC") as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Sub-Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

PRC Taxation Risk

The Sub-Fund may be subject to Corporate Income Tax on withholding basis ("WIT") and other taxes imposed in Mainland China.

Corporate Income Tax ("CIT"):

If the Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-tax resident enterprise with an establishment or place of business ("**PE**") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, if the Sub-Fund is a non-PRC resident enterprise without a PE in the PRC, the income derived by it from the investment in PRC securities will generally be subject to a WIT at the rate of 10%, unless exempt or reduced under specific tax circulars or relevant tax treaty.

The Investment Manager intends to manage and operate the Sub-Fund in such a manner that the Sub-Fund should not be treated as a PRC tax resident enterprise or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

(i) Interest

Currently, for corporate bonds issued by PRC tax resident enterprises, a 10% PRC WIT is payable on interests derived by a foreign investor which is deemed as a non-tax resident enterprise without a PE in China for PRC CIT purposes. The entity distributing such interests is required to withhold WIT.

Interest derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from CIT under the PRC CIT Law.

On 7 November 2018, the Ministry of Finance of the PRC ("MOF") and the State Taxation Administration of the PRC ("STA") issued Caishui [2018] No. 108 ("Circular 108"), which stipulated that foreign institutional investors are temporarily exempted from PRC WIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption policy would be extended after 6 November 2021.

(ii) Capital gain

Trading of debt instruments issued by PRC tax resident enterprises via QFI, CIBM and Bond Connect

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the capital gains derived by foreign investors from disposal of debt instruments issued by PRC tax resident enterprises via QFI, CIBM and Bond Connect. In the absence of specific taxation rule, the tax treatment for investment in debt instruments issued by PRC tax resident enterprises is governed by the general taxing provisions of the CIT Law. For an enterprise that is not a tax resident enterprise and has no PE in the PRC for CIT purpose, a 10% PRC WIT would potentially apply to the PRC-sourced capital gains derived from disposal of these securities, unless exempt or reduced under relevant double tax treaties.

Pursuant to Article 7 of the Detailed Implementation Regulations of the PRC CIT Law where the property concerned is a movable property, the source shall be determined according to the location of the enterprise, establishment or place which transfer the property. The PRC tax authorities have verbally indicated that debt instruments issued by PRC tax resident enterprises are movable property. In this case, the source shall be determined based on the location of the transferor. As the Sub-Fund is located outside of the PRC, gains derived by the Sub-Fund from disposal of the debt instruments issued by the PRC enterprises could be argued as offshore source and thus not subject to PRC WIT. However, there is no written confirmation issued by the PRC tax authorities that the debt instruments issued by PRC tax resident enterprises are movable property.

In addition to the verbal comments, Article 13.6 of the Arrangement between Mainland China and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income And on Capital (the "China-Lux Arrangement") provides that any gains derived by a Luxembourg tax resident from the disposal of PRC properties that are not referred to as in Articles 13.1 to 13.5 of the China-Lux Arrangement shall be taxable only in Luxembourg. As the debt instruments issued by the PRC tax resident enterprises are not referred to in Article 13.1 to 13.5 of the China-Lux Arrangement, capital gains derived by Luxembourg tax resident from the disposal of debt instruments issued by a PRC tax resident enterprise should technically be exempted from PRC WIT provided all the other relevant treaty conditions are satisfied (including a Tax Residency Certificate issued by the Luxembourg tax authority), subject to agreement by the PRC tax authorities. In order to qualify for this preferential treatment, the Investment Manager will further assess and seek agreement from the PRC tax authorities in relation to the Sub-Fund, although this cannot be guaranteed.

However, as a matter of practice, the 10% WIT has not been strictly enforced by local tax bureau on capital gains derived from non-PRC tax resident enterprises from the trading of these securities.

Value Added Tax ("VAT"):

- (i) Capital gain

On 23 March 2016, the MoF and the STA issued Caishui [2016] No. 36 (the "Notice 36") which shall take effect from 1 May 2016, unless otherwise stipulated therein. The Notice No. 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, unless there is specific exemption.

Under the Notice 36 and Caishui [2016] No. 70 (the "Notice 70"), gains realised by QFIIs and RQFIIs from trading of PRC marketable securities are exempted from VAT. Gains realised by approved foreign investors from trading of RMB denominated debt securities in the CIBM are also exempt from VAT. There is no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through "Northbound Trading" should also not be subject to China VAT.

(ii) Interest

Pursuant to Notice No. 36, interest income derived from bonds issued by PRC tax resident enterprise should be subject to 6% VAT plus local surtaxes, unless specifically exempted. Interest income derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempted from VAT.

Notice 36 and Notice 70 do not specifically exempt VAT on interest income earned by QFIIs / RQFIIs or foreign investors. Hence, interest income on non-government bonds (including corporate bonds) technically should be subject to VAT at 6% under Notice 36 and Notice 70. According to Circular 108, foreign institutional investors are temporarily exempted from PRC VAT in respect of bond coupon interest income received from 7 November 2018 to 6 November 2021 from investments in China bond market. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption would be extended after 6 November 2021.

If VAT is applicable, there are also other local surtaxes (including Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge) that could amount to as high as 12% of the VAT payable.

Tax Provisioning policy of the Sub-Fund:

In light of the above, the Investment Manager, having consulted independent and professional tax advice, will at present implement the following PRC tax provisioning policy:

1. The Sub-Fund will not make WIT provision for gross realised and unrealised capital gains derived from trading of PRC debt securities.
2. The Sub-Fund will make WIT provision of 10% on bond interest received before 7 November 2018 or after 6 November 2021 from RMB denominated bonds (except PRC government bonds which are State treasury bonds issued by the in-charge finance department of the State Council of the PRC) issued by PRC tax resident enterprises, dividend from securities investments funds and interest from RMB bank deposits if WIT is not withheld at source.
3. For bond interest received before 7 November 2018 or after 6 November 2021, the Sub-Fund will make a provision in an amount equal to the total of (i) for VAT, 6% of the bond interest (except PRC government bonds or local government bonds) derived by the Sub-Fund; plus (ii) for the potential local surtaxes on VAT, 12% of the VAT amount stated in (i).

General:

There is a possibility of the PRC tax rule, regulations and practice being changed and taxes being applied retrospectively. Tax treatment on capital gains derived by QFIs from trading of PRC securities other than equity investment assets could be uncertain and may change in the future. The potential application of tax treaties is uncertain. As such, there are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. As such, there is a risk that any tax provision made by the Investment Manager in respect of the Sub-Funds may be more than or less than the Sub-Fund's

actual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed in/from the Sub-Fund. If the actual tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new investors will be disadvantaged. On the other hand, if the actual tax levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, investors who have redeemed the shares before the actual tax liability is determined will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new investors may benefit if the difference between the tax provision and the actual tax liability can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, investors who have already redeemed their shares in the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Sub-Fund. The Investment Manager will closely monitor any further guidance issued by the PRC tax authorities and adjust the provisioning policy of the Sub-Fund accordingly.

Investors should seek their own tax advice on their tax position with regard to their investment in any Sub-Fund.

Risks concerning Asian currencies

Insofar as the Sub-Fund invests in Asian Region fixed income and debt instruments denominated in the relevant local currency, the Sub-Fund may be subject to additional exchange rate risks. Emerging markets may be subject to additional political, social, economic, regulatory and settlement risks, these factors may adversely affect the exchange rates of emerging market currencies and hence the value of the securities held by the Sub-Fund. Adverse economic developments (such as trade barriers, exchange controls, managed adjustments in relative currency and other protectionist measures imposed or negotiated by the countries with which they trade) and/or political events (including changes in foreign exchange policies), may result in substantial depreciation in currency exchange rates or unstable currency fluctuations. As a result, currencies of emerging markets may be more volatile than major world currencies such as USD, EUR or GBP.

Sovereign risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations issued or guaranteed by governments or their agencies of such countries may involve a high degree of risk. The willingness or ability of a governmental entity to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient

foreign exchange on the date a payment is due and the relative size of the debt service burden to the economy as a whole.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others agencies abroad to reduce principal and arrearage on their debts. However, failure to implement economic reforms or achieve a required level of economic performance or repay debts when due may result in the cancellation of these third parties' commitments to continuously lend funds to a governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

In case of default, holders of sovereign debts (including a Sub-Fund) may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant governmental entities. In addition, a Sub-Fund may invest in securities issued or guaranteed by the government of a country with a sovereign credit rating below investment grade. The performance and value of the Sub-Fund could deteriorate should there be any adverse credit events in the sovereign, in particular if there is downgrading of the sovereign credit rating or a default or bankruptcy of a sovereign occurs. There are no bankruptcy proceedings by which sovereign debt on which a governmental entity has defaulted may be recovered in whole or in part.

Contingent Convertible Securities (CoCos)

The Sub-Fund may invest in contingent securities structured as contingent convertible securities also known as CoCos.

Contingent convertible securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible securities can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible securities are risky and highly complex instruments. Coupon payments on contingent convertible securities are discretionary and may at times also be ceased or deferred by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level, or the share price of the issuer falling to a particular level for a certain period of time.

Contingent convertible securities are also subject to additional risks specific to their structure including:

- ▶ **Trigger Level Risk**

Trigger levels differ and determine exposure to conversion risk. It might be difficult for the Investment Manager of the Sub-Fund invested in contingent convertible securities to anticipate the trigger events that would require the debt to convert into equity or the write down to zero of principal investment and/or accrued interest. Trigger events may include: (i) a reduction in the issuing bank's Core Tier 1/ Common Equity Tier 1 (CT1/CET1) ratio or other ratios, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible

securities into equity or write down, in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.

▶ Coupon Cancellation

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

The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

▶ Capital structure inversion risk

Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated. This is contrary to the normal order of the capital structure where equity holders are expected to suffer the first loss.

▶ Call Extension Risk

Some contingent convertible securities are issued as perpetual instruments and only callable at pre-determined levels upon approval of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible securities will be called on a call date. Contingent convertible securities are a form of permanent capital. The investor may not receive return of principal as expected on call date or indeed at any date.

▶ Conversion Risk

Trigger levels differ between specific contingent convertible securities and determine exposure to conversion risk. It might be difficult at times for the Investment Manager of the Sub-Fund to assess how the contingent convertible securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares since the investment policy of the Sub-Fund may not allow the holding of equity securities. Given the trigger event is likely to be some event depressing the value of the issuer's common equity, this forced sale may result in the Sub-Fund experiencing some loss.

▶ Valuation and Write-Down Risk

Contingent convertible securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, the Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

▶ Market Value Fluctuations Due to Unpredictable Factors

The value of contingent convertible securities is unpredictable and will be influenced by many factors including, without limitation (i) creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the contingent convertible securities; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

▶ Liquidity Risk

In certain circumstances finding a buyer ready to invest in contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

▶ Sector Concentration Risk

Contingent convertible securities are issued by banking and insurance institutions. The performance of the Sub-Fund which invests significantly in contingent convertible securities will depend to a greater extent on the overall condition of the financial services industry than for the Sub-Fund following a more diversified strategy.

▶ Subordinated Instruments

Contingent convertible securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible securities, such as the Sub-Fund, against the issuer in respect of or arising under the terms of the contingent convertible securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

▶ Unknown Risk

The structure of contingent convertible securities is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

▶ Risks associated with non-investment grade debt instruments

To the extent the Sub-Fund invests in sub-investment grade debt securities or non-rated debt securities, the Sub-Fund may realise a higher current yield than the yield offered by higher-rated securities, but such investments are also associated with greater risks because of generally reduced credit worthiness and liquidity, greater price volatility, greater risk of loss of income and principal including the chance of default by or bankruptcy of the issuers of such securities.

► Risks associated with high yield debt instruments

The Sub-Fund may invest in high yield fixed-income securities which carry higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a sub-fund that invests in investment grade fixed-income securities.

High yield fixed income securities includes sub-investment grade (i.e. non-investment grade) and higher yielding fixed income securities rated investment grade but which are of comparable credit quality to sub-investment grade rated securities. Credit risk is greater for investments in high yield fixed-income securities than for investment grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

SUB-FUND PARTICULAR 4
HARVEST CHINA A-SHARES SUSTAINABLE ABSOLUTE FUND

1. Name of the Sub-Fund

Harvest China A-Shares Sustainable Absolute Fund

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The investment objective of the Sub-Fund is to achieve long-term capital growth by investing primarily in China A-Shares listed on the PRC Stock Exchanges.

Investment Strategy

The Sub-Fund seeks to achieve its objective by investing, under normal market conditions, primarily in China A-Shares (including initial public offerings) securities listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange through the QFI of the Investment Manager or Stock Connects and China A-Shares ETFs., The Sub-Fund may also invest in equity or equity related securities listed in Hong Kong and Taiwan, and American Depository Receipts and Global Depository Receipts.

The Sub-Fund's investment strategy combines both value and growth investing principles with the aim to identify undervalued companies with sustainable growth potential. The strategy includes both top-down industry selection and bottom-up stock picking approach. In the top-down approach, focus sectors are identified by observing current economic cycle, policy and structural reform trends, gross margin change of different industries and other relative factors to determine industries experiencing high growth or industries with growth momentum. In the bottom-up approach, emphasis is placed on business models, earning results, good corporate governance, financial statements, competitor analysis as well as long-term growth drivers and short term catalysts.

The investment process is research driven utilising an internal research infrastructure and platform as well as a combination of different research methodologies for example company visits, independent verification and financial model analysis. Research is performed on companies based on both qualitative and quantitative analysis to find out the long term potential value in the relevant stocks.

The Sub-Fund may invest in PRC companies of any capital size, including small and mid-cap companies (with a maximum of 5% of its net assets in small companies).

The Sub-Fund may also invest up to 10% of its net assets in closed-ended real estate investment trusts (REITs).

Up to 10% of the Sub-Fund's net assets may from time to time also be invested in units of UCITS and/or other UCIs whose investment objectives are substantially similar to the Sub-Fund (including open-ended exchange traded funds ("ETFs") qualifying as UCITS or other UCIs).

The Sub-Fund may also invest in closed-ended UCIs whose shares qualify as Transferable Securities. Where the Sub-Fund invests in other UCITS and/or other UCIs managed by the Investment Manager, as per the investment restrictions applicable to this Sub-Fund, any initial charges on such investments will be waived.

The Sub-Fund may also invest in cash, certificates of deposit or bank deposits for liquidity management and portfolio diversification purposes.

The Sub-Fund will only invest in financial derivative instruments for hedging purposes in accordance with the 2010 Law.

The investments of the Sub-Fund denominated in a currency other than USD may be hedged into the Base Currency of the Sub-Fund. Currency hedging will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies in which the Sub-Fund's investments are denominated. In this regard, it is anticipated that currency risks will be hedged to a large extent although there is no guarantee that such hedging will be effective. Where the currency exposure of the Sub-Fund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Sub-Fund.

The Sub-Fund does not have sustainable investment as its objective and no index has been designed as a reference benchmark but the Sub-Fund promotes, among other characteristics, environmental or social characteristics, or a combination of both, provided that the companies in which the investments are made follow good governance practices. The Investment Manager uses internal and external data sources provided by ESG research providers, proprietary models and local intelligence.

The Investment Manager's overall ESG strategy encompasses three main components: systematic integration, engagement and stewardship, as well as sustainable and thematic investment. The Investment Manager's ESG integration program combines both top-down and bottom-up approaches to incorporate perspectives from macro and security-level analysis, which lead to high-quality qualitative and quantitative ESG research analyses encompassing ESG issues, controversies and quantitative scoring. This program involves proprietary ESG scoring and research, regular ESG risk monitoring and alerts, all accessible through the ESG dashboard integrated in the Investment Manager's core investment platform and various communication mechanisms between ESG and investment teams to act upon material ESG issues. The ESG integration process includes i) negative screening of controversial weapons, tobacco, nuclear energy, controversial behaviours, controversial jurisdictions, drugs and adult entertainment, and conditional exclusion for alcohol, fossil fuels, coal, and gambling. ii) ESG quantitative scoring based on a proprietary ESG framework that is rooted in globally recognized ESG issues and locally-material ESG factors. iii) Qualitative analysis for core holdings and high ESG risk names. iv) Continuously monitor

ESG momentum and measure ESG impact. v) Engagement and proxy voting. Companies will be removed from investment pool if it fails to meet internal ESG criteria.

In line with its ESG criteria, the Sub-Fund promotes environmental characteristic and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation. Due to the lack of reliable data, it is currently not possible to determine how and to what extent the Sub-Fund’s underlying investments take into account the EU criteria for environmentally sustainable economic activities.

Additional information on the Investment Manager’s ESG approach is available under <https://www.harvestglobal.uk/hgi/index.php/about-harvest/our-mission>

This Sub-Fund is actively managed with reference to the MSCI China A Index (the “Benchmark”) and is constrained by internal or external risk indicators that refer to the Benchmark (eg: relative VaR for global exposure calculation). The Benchmark is not consistent with the environmental and social characteristics as promoted.

Global exposure

The global exposure relating to this Sub-Fund will be calculated using a relative Value-at-Risk approach benchmarked against the MSCI China A Index. The expected maximum level of leverage of the Sub-Fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is 100%.

4. Investment Manager

The Investment Manager of the Sub-Fund is Harvest Global Investments Limited, 31/F One Exchange Square, 8 Connaught Place, Central Hong Kong

5. Profile of the typical investor

The Sub-Fund may be suitable for investors seeking capital appreciation over a medium to long horizon through investing primarily in China A-Shares securities.

6. Classes of Shares available for subscription

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Hedging Strategy	N/A	currency hedging	N/A	currency hedging	N/A
Minimum initial investment	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A

Minimum subsequent investment	USD 1,000*	USD 1,000*	USD 250,000*	USD 250,000*	N/A
Minimum holding amount	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A
Distribution policy	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS

* (or the equivalent in the relevant Reference Currency if not in USD)

Available Classes

Class R shares are reserved to retail investors.

Class I shares are reserved to Institutional Investors.

Class S shares are reserved to investors which have a separate agreement with the Investment Manager.

The Shares of Classes set out in the table above may be issued in the following Reference Currencies: USD, GBP, RMB, CHF, EUR, SGD, YEN, AUD, HKD. Shares issued in the aforementioned Reference Currencies will be issued as separate Classes.

Capital accumulation Classes and distribution Classes

The Shares of the Sub-Fund are available either as capital accumulation or distribution Shares.

Capital accumulation Shares are identifiable by "ACC" following the Class name and normally do not pay any dividends.

Distribution Shares are identifiable by "DIS" following the Class name. Distribution Shares may declare and pay dividends at least annually.

Currency hedging

Within the Sub-Fund separate Classes pursuing a hedging policy are available which are identifiable by "H" in the Class name. The foreign exchange exposure of the assets of the Sub-Fund attributable to any hedged Class (denominated in any currency other than USD) shall be, so far as reasonably practicable, hedged in order to minimise the impact of fluctuations in the exchange rates between USD (being the Base Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any hedged Class with a Reference Currency other than USD into the relevant currency will be allocated solely to the relevant Class.

7. Fees and expenses

The Management Company Fees and Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

Class of Shares	Class R	Class RH	Class I	Class IH	Class S
Management Company Fee	Up to 0.05% per annum				
Investment Management Fee	Up to 1.50%	Up to 1.50%	Up to 0.75%	Up to 0.75%	N/A
Sales charge	Up to 5%				
Redemption charge	N/A	N/A	N/A	N/A	N/A
Conversion charge	N/A	N/A	N/A	N/A	N/A

The sales charge may be waived at the discretion of the Board of Directors or the Investment Manager.

8. Business Day/Valuation Day/Net Asset Value calculation

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg, Hong Kong and in Mainland China.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day")

9. Subscription

Shares of this Sub-Fund will not be offered, sold or privately placed in the United States and US Persons are not eligible for subscribing for Shares of this Sub-Fund.

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day increased, as the case may be, by any applicable sales charge, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications along with the relevant AML/KYC documentation must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than 2 Business Days after the relevant Valuation Day.

10. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than 4 Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

11. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

12. Historical Performance

Information on the historical performance of the Sub-Fund is disclosed in the relevant Key Investor Information Document, if available.

13. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation Distributing (DIS) Shares will be distributed in part or in total at least annually.

14. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 5. "Risk considerations" in the general part of the Prospectus.

In addition, the following additional risk factors should be taken into consideration:

Political, Economic and Social Risks in Mainland China

Investments in Mainland China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to Mainland China. Investors should note that any change in the policies of the PRC may adversely impact on the securities markets in Mainland China as well as the performance of the Sub-Fund(s) concerned.

Mainland China Economic Risks

The economy of Mainland China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, 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 when compared with those of developed countries.

The economy in Mainland China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of Mainland China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

Legal and Regulatory Risk in Mainland China

The legal system of Mainland China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in Mainland China are relatively new and their application is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

Renminbi related risks

RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. There are currently no repatriation limits that affect the Sub-Fund. If such policies change in future, the Sub-Fund's or the

shareholders" position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-Fund or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Onshore versus offshore Renminbi differences

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that:

- (i) subscriptions and redemptions of shares may be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates; and
- (ii) the liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of Renminbi outside the PRC.

Risks relating to the QFI regime

The Sub-Fund is not a QFI but it may obtain access to securities issued within China directly and invest directly in QFI Eligible Securities investment via the QFI status of the Investment Manager.

Investors should note that QFI status could be suspended or revoked by reason of an act or omission of the QFI holder or for any other reasons, which may have an adverse effect on the Sub-Fund's performance as the Sub-Fund may no longer be able to invest directly into QFI Eligible Securities and be required to dispose of its securities holdings.

In addition, certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-Fund's liquidity and performance. The People's Bank of China ("PBOC") and the SAFE regulate and monitor the repatriation of funds out of the PRC by the QFI pursuant to the QFI Regulations. Repatriations by QFI in respect of the Sub-Fund conducted in RMB and/or foreign currencies are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. submission of certain documents when repatriating the realised cumulative profits). Completion of the repatriation process may be subject to delay. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits (if imposed in the future) may impact on the Sub-Fund's ability to meet redemption requests from the Shareholders. Furthermore, as the QFI Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the QFI Custodian in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming

Shareholder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

The current QFI Regulations include rules and restrictions on investments being made by a QFI which may be amended from time to time. Investors should also note that a QFI's domestic investment is currently subject to the following investment restrictions:

- (a) shares held by a single foreign investor in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange should not exceed 10% of the total outstanding shares of the listed company.
- (b) aggregate China A-Shares held by all foreign investors in one company listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange shall not exceed 30% of total outstanding shares of the listed company.

Strategic investment in those listed companies by QFIs and other foreign investors in accordance with PRC law is not bound by the restrictions specified in paragraphs (a) and (b) above. Stricter limits on shareholding by QFIs and other foreign investors separately imposed by applicable laws, administrative regulations, or industrial policies in PRC, if any, shall prevail.

The rules and restrictions under QFI Regulations generally apply to the QFI as a whole and not simply to the investments made by the Sub-Fund. The Sub-Fund may therefore be adversely affected for reasons due to the investment of other schemes in China A-Shares via the QFI holder. For example, the Sub-Fund may be exposed to particular disclosure requirements or suffer from regulatory action linked to a breach of the QFI Regulations by the QFI holder.

The CSRC, PBOC and the SAFE are vested with the power to impose regulatory sanctions if the QFI or the QFI Custodian violates certain provision of the QFI Regulations. In addition to the regulatory sanctions imposed by CSRC, PBOC and SAFE, Shanghai Stock Exchange, Shenzhen Stock Exchange and other PRC self-regulatory associates may also have the right to adopt self-regulatory measures and disciplinary punishments under certain circumstances, and if the circumstances are material, they are entitled to report the CSRC asking its investigation and taking further measures. Any violations could result in those sanctions in respect of the QFI as whole and may adversely impact on the investment made by the Sub-Fund.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Sub-Fund. In extreme circumstances, the Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QFI investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished.

The Sub-Fund, which invests in the PRC markets through a QFI, may be adversely affected as a result of such changes.

Cash deposited with the QFI Custodian – Where a Sub-Fund invests in Mainland China through the QFI regime, such securities and cash will be held by the QFI Custodian pursuant to the PRC regulations. According to the current QFI Regulations, a QFI is allowed to appoint multiple local custodians. Investors should note that cash deposited in the cash accounts of the Sub-Fund with the QFI Custodian will not be segregated but will be a debt owing from the QFI Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash accounts, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the QFI Custodian. The Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer.

Application of QFI rules – The QFI rules described under the QFI regime are relatively new, and enable Renminbi and/or foreign currencies to be remitted into and repatriated out of the PRC pursuant to PRC Regulations. Application of the rules may depend on the interpretation given by the relevant Chinese authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Sub-Fund. In the worst scenario, the Investment Manager may determine that the Sub-Fund shall be terminated if it is not legal or viable to operate the Sub-Fund because of changes to the application of the relevant rules.

PRC brokerage risk – The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the QFI. There is a risk that the Sub-Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Sub-Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In the selection of PRC Brokers, the QFI will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI considers appropriate, it is possible that a single PRC Broker will be appointed and the Sub-Fund may not necessarily pay the lowest commission available in the market.

China-A Shares Investment Risks

Risks relating to China A-Shares market - The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. The price at which securities may be purchased or sold by the Sub-Fund and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for China A-Shares are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.

Securities exchanges in 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 PRC Stock Exchanges on China A-Shares, where trading in any China A-Share security on the relevant PRC Stock Exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. In addition, it is possible that the PRC government, relevant PRC stock exchanges and/or relevant regulatory authorities may from time to time introduce new measures to control the risk of substantial fluctuations in the China A-Shares market. A suspension will render it impossible for the Investment Manager to liquidate positions and can thereby expose the Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Investment Manager to liquidate positions at a favourable price.

PRC Taxation Risk

The Sub-Fund may be subject to Corporate Income Tax on withholding basis ("WIT") and other taxes imposed in Mainland China.

Corporate Income Tax ("CIT"):

If the Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-tax resident enterprise with an establishment or place of business ("PE") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, if the Sub-Fund is a non-PRC resident enterprise without a PE in the PRC, the income derived by it from the investment in PRC securities will generally be subject to a WIT at the rate of 10%, unless exempt or reduced under specific tax circulars or relevant tax treaty.

The Investment Manager intends to manage and operate the Sub-Fund in such a manner that the Sub-Fund should not be treated as a PRC tax resident enterprise or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

Any PRC WIT imposed on a QFI/A Share Access Products issuer would likely be recharged to, and borne by, the Sub-Fund under contractual agreement(s) with the QFI/A Share Access Products issuer. As such, the Sub-Fund is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority.

- (i) Capital gain

Trading of China A-Shares and A-Share Access Products

On 14 November 2014, the Ministry of Finance (the "MoF"), the State Taxation Administration (the "STA") and the China Securities Regulatory Commission (the "CSRC") jointly released Caishui [2014] No.81 (the "Notice 81") which stipulates that PRC CIT will be temporarily exempted on capital gains derived by foreign investors on the trading of China A-Shares through Shanghai-Hong Kong Stock Connect. PRC CIT on capital gains derived by foreign investors in trading of China A-Shares through

Shenzhen-Hong Kong Stock Connect will also be temporarily exempted as stipulated under Caishui [2016] No. 127 (the "Notice 127") which was released on 5 November 2016.

On 14 November 2014, the MoF, the STA and the CSCR jointly issued Caishui [2014] No. 79 (the "Notice 79") which stipulates that:

- 1) PRC corporate income tax will be imposed on gains derived by QFIIs and RQFIIs from the transfer of PRC equity investment assets (including China A-Shares) realised prior to 17 November 2014 in accordance with laws.
- 2) QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in China is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains realised from the transfer of PRC equity investment assets (including China A-Shares) effective from 17 November 2014.

In light of Notice No. 79, WIT on capital gain attributable to a Sub-Fund's investment in A-Share access products realized from 17 November 2014 onwards should be exempted if the A-Share access products issuers do not have an establishment or place in China or have an establishment in China but the income so derived in China is not effectively connected with such establishment.

Trading of China B-Shares

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the disposal of China B-Shares. Hence, the tax treatment for investment in China B-Shares is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, the Sub-Fund would be technically subject to 10% PRC WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties.

However, as a matter of practice, the 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-PRC tax resident enterprises from the trading of China B-Shares.

(ii) Dividend and Deposit interest

Unless a specific exemption or reduction is available under current CIT Law and regulations or relevant tax treaties, non-tax resident enterprises without PE in the PRC are subject to WIT, generally at a rate of 10% on interests and dividend income arising from investments in the PRC securities. The entity distributing such interest and dividends is required to withhold such tax on behalf of the recipients. The Sub-Fund is subject to WIT at 10 % on deposit interest income, dividends received from China A-Shares traded via QFI and Stock Connect and from China B-Shares.

Under current regulations in the PRC, foreign investors (such as a Sub-Fund) may invest in onshore PRC securities (i.e. China A-Shares), generally, only through a QFI and Stock Connect. For China A-Shares invested via relevant QFI, since only the relevant QFI's interests in China A-Shares are recognized under PRC laws, any tax liability would, if it arises, be payable by the relevant QFI subject to further interpretations and rules that may be issued in the future. However under the terms of the arrangement between the relevant QFI (i.e. the QFI Holder or the issuers of A-Share Access Products) and a Sub-Fund, the relevant QFI will pass on any tax liability to the Sub-Fund. As such the Sub-Fund

is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority. Under current PRC tax laws and regulations, the relevant QFI (if without a PE in China) is subject to WIT of 10 % on dividends from China A-Shares unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

Value Added Tax ("VAT"):

(i) Capital gains

On 23 March 2016, the MoF and STA issued Caishui [2016] No. 36 (the "Notice 36") which shall take effect from 1 May 2016, unless otherwise stipulated therein. The Notice 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, e.g. China A-Shares, unless there is specific exemption.

Under the Notice 36 and Caishui [2016] No. 70, gains realised by QFIIs and RQFIIs from trading of PRC marketable securities are exempted from VAT. Under the Notice 36 and the Caishui [2016] No.127, gains realised from trading of A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are exempted from VAT. Therefore, to the extent that a Sub-Fund's investments (such as A-Shares through the Stock Connects) are conducted through these channels, the capital gains should be exempted from VAT.

The current VAT regulations do not provide VAT exemption on capital gains derived from trading of China B-Shares. It should be noted that the PRC tax authorities have not actively collected VAT from non-tax resident enterprise of the PRC on gains realised from China B-Shares in practice.

(ii) Dividend and Deposit interest

Dividend income or profit distributions on equity investment and deposit interest income derived from China are not included in the taxable scope of VAT.

If VAT is applicable, there are also other local surtaxes (including Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge) that could amount to as high as 12% of the VAT payable.

Stamp duty:

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of China A-Shares and China B-Shares traded on the PRC stock exchanges. In the case of contracts for sale of China A-Shares and China B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

Tax Provisioning policy of the Sub-Fund:

In light of the above, the Investment Manager will at present implement the following PRC tax provisioning policy:

1. The Sub-Fund will not make WIT provision for gross realised and unrealised capital gains from trading of PRC equity investment assets (including China A-Shares).
2. The Sub-Fund will make a WIT provision of 10% on dividend from China A-Shares, China B-Shares, dividend from securities investments funds and interest from RMB bank deposits if WIT is not withheld at source.

General:

It should also be noted that the prevailing PRC tax regulations specified that the tax exemption on capital gains derived from the trading of China A-Shares from 17 November 2014 onwards is temporary. There is a possibility of the PRC tax rule, regulations and practice being changed and taxes being applied retrospectively. The PRC tax rules and practices in relation to QFI are new and tax treatment on capital gains derived by QFIs from trading of PRC securities other than equity investment assets could be uncertain and may change in the future. As such, there are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. As such, there is a risk that any tax provision made by the Investment Manager in respect of the Sub-Funds may be more than or less than the Sub-Fund's actual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed in/from the Sub-Fund.

If the actual tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new investors will be disadvantaged. On the other hand, if the actual tax levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, investors who have redeemed the shares before the actual tax liability is determined will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new investors may benefit if the difference between the tax provision and the actual tax liability can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, investors who have already redeemed their shares in the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Sub-Fund invests in, thereby reducing the income from, and/or value of the shares. The Investment Manager will closely monitor any further guidance issued by the relevant PRC tax authorities and adjust the provisioning policy of the Sub-Funds accordingly.

Investors should seek their own tax advice on their tax position with regard to their investment in any Sub-Fund.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange ("SZSE") and ChinaClear. The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through its Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014.

Under the Shanghai-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong broker may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect investors in the PRC

will be able to trade certain stocks listed on the SEHK. The Shenzhen-Hong Kong Stock Connect has commenced trading on 5 December 2016.

Under the Shenzhen-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong brokers may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB 6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H-Shares. At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A-Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A-Shares.

Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and Settlement System ("CCASS") participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connects, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Sub-Fund's assets in the PRC through its Global Custody Network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-

cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

In addition to risks regarding the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to the following additional risks:

Quota Limitations

The Stock Connects are subject to quota limitations. In particular, the Stock Connects are subject to a daily quota which does not belong to the Sub-Fund and can only be utilised on a first-come-first-served basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in China A-Shares through the Stock Connects on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership

The SSE and SZSE shares in respect of the Sub-Fund are held by the Depositary/ sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Sub-Fund as the beneficial owners of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Sub-Fund under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE shares will be regarded as held for the beneficial ownership of the Sub-Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk

HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear

through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Sub-Fund's ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connects only operate on days when both the PRC 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 PRC market but the Sub-Fund cannot carry out any China A-Shares trading via the Stock Connects. The Sub-Fund may be subject to a risk of price fluctuations in China A-Shares during the time when any of the Stock Connects is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Sub-Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

Operational Risk

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

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the 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 both markets through the program could be disrupted. The Sub-Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The Sub-Fund may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund

Investment in SSE and SZSE shares via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Sub-Fund are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE shares via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connects.

Risks associated with the Small and Medium Enterprise board and/or ChiNext market

The Sub-Fund may invest in the Small and Medium Enterprise ("**SME**") board and/or the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the Shenzhen Stock Exchange.

Over-valuation risk

Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk

It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Risk associated with small-capitalisation / mid-capitalisation companies

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

China A-Shares Access Product ("CAAP")

The Sub-Fund may invest in CAAP linked to China A-Shares in the PRC. Issuers of CAAP may deduct various charges, expenses or potential liabilities from the prices of the CAAP (including but not limited to any actual or potential tax liabilities determined by the CAAP issuer at its discretion) and such deduction is not refundable.

CAAPs may not be listed and are subject to the terms and conditions imposed by its issuer. These terms may lead to delays in implementing the Investment Manager's investment strategy. Investment in CAAPs can be illiquid as there may not be an active market in the CAAPs. In order to liquidate investments, the Sub-Fund relies upon the counterparty issuing the CAAPs to quote a price to unwind any part of the CAAPs.

An investment in a CAAP is not an investment directly in the underlying investments (such as shares) themselves. An investment in the CAAP does not entitle the holder of such instrument to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

The Sub-Fund will be subject to credit risk of the issuers of the CAAPs invested by the Sub-Fund. The Sub-Fund may suffer a loss if the issuers of the CAAPs invested by the Sub-Fund becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties.

Investments in REITs

The Sub-Fund may invest in REITs which themselves invest directly in real estate – under adverse market or economic conditions such assets may become illiquid or experience a drop in value. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

SUB-FUND PARTICULAR 5
HARVEST ASIA SUSTAINABLE BALANCED FUND

1. Name of the Sub-Fund

Harvest Asia Sustainable Balanced Fund

2. Base Currency

USD

3. Investment objective, policy and strategy

Investment Objective

The Sub-Fund seeks to maximise total return in a manner consistent with principles of environmental, social and governance (“ESG”) focused by investing in a diversified portfolio of assets in the China and Asian Region.

Investment Strategy

The Sub-Fund seeks to achieve its objective through investing in equity and equity-related securities, debt securities and short term securities, of both corporate and governmental or government agency issuers, supranational issuers, other collective investment schemes (such as equity funds, fixed income funds) (“underlying funds”), exchange traded funds (“ETFs”) in the China and Asian region.

The China and Asian region include the following countries (with the exclusion of Japan for the avoidance of doubts): China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Korea, Thailand, Vietnam, Sri Lanka, Bangladesh, Kazakhstan, Taiwan, India, Pakistan, Mongolia, Macao.

A company is considered to be an issuer of the China and Asian region if: (i) at least 50% of the company’s assets are located in the China and Asian region; or (ii) at least 50% of the company’s revenue is generated in the China and Asian region; or (iii) the company is organized or maintains its principal place of business in the China and Asian region; or (iv) the company’s securities are traded principally in the China and Asian region.

The Investment Manager will actively and freely allocate between China and Asian equities and China and Asian debt and money market securities. The Investment Manager will use a cyclical approach to asset allocation where the asset mix will be adjusted according to the four phases of the economic cycle – recovery, expansion, slowdown and recession – based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data, market sentiment and liquidity.

In addition to active asset allocation, the Investment Manager will also perform active security selection for its investments in China and Asian equities, China and Asian fixed income and other asset classes.

For the China and Asian equities portfolio, the Investment Manager intends to focus on companies that are able to create true shareholder value, have a strong and stable earnings stream and have a strong sustainable dividend yield. For the China and Asian fixed income portfolio, the Investment Manager intends to select securities that deliver attractive yield and capital growth taking into account both fundamental and technical views such as valuation, demand/supply conditions and liquidity.

The Sub-Fund does not have sustainable investment as its objective and no index has been designed as a reference benchmark but the Sub-Fund promotes, among other characteristics, environmental or social characteristics, or a combination of both, provided that the companies in which the investments are made follow good governance practices. The Investment Manager uses internal and external data sources provided by ESG research providers, proprietary models and local intelligence.

The Investment Manager's overall ESG strategy encompasses three main components: systematic integration, engagement and stewardship, as well as sustainable and thematic investment. The Investment Manager's ESG integration program combines both top-down and bottom-up approaches to incorporate perspectives from macro and security-level analysis, which lead to high-quality qualitative and quantitative ESG research analyses encompassing ESG issues, controversies and quantitative scoring. This program involves proprietary ESG scoring and research, regular ESG risk monitoring and alerts, all accessible through the ESG dashboard integrated in the Investment Manager's core investment platform and various communication mechanisms between ESG and investment teams to act upon material ESG issues. The ESG integration process includes i) negative screening of controversial weapons, tobacco, nuclear energy, controversial behaviours, controversial jurisdictions, drugs and adult entertainment, and conditional exclusion for alcohol, fossil fuels, coal, and gambling. ii) ESG quantitative scoring based on a proprietary ESG framework that is rooted in globally recognized ESG issues and locally-material ESG factors. iii) Qualitative analysis for core holdings and high ESG risk names. iv) Continuously monitor ESG momentum and measure ESG impact. v) Engagement and proxy voting. Companies will be removed from investment pool if it fails to meet internal ESG criteria.

In line with its ESG criteria, the Sub-Fund promotes environmental characteristic and may invest in one or more underlying investments that contribute to climate change mitigation and/or climate change adaptation. Due to the lack of reliable data, it is currently not possible to determine how and to what extent the Sub-Fund's underlying investments take into account the EU criteria for environmentally sustainable economic activities.

Additional information on the Investment Manager's ESG approach is available under <https://www.harvestglobal.uk/hgi/index.php/about-harvest/our-mission>

In order to achieve its investment objective, the Sub-Fund will invest between 30% and 80% of its Net Asset Value in equity securities and between 20% and 70% of its Net Asset Value in fixed income securities.

The Sub-Fund will invest up to 50% of its net assets in China. Those investments will be (i) in China A-shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect and/or via the QFI licence of the Investment Manager and (ii) in governmental and corporate bonds traded on the CIBM or Chinese stock exchanges and policy bank bonds via the QFI license of the

Investment Manager and/or through the Bond Connect. In addition, the Sub-Fund may also invest in H-shares on other markets outside of China giving exposure to the Chinese economy.

The investments of the Sub-Fund (including while seeking exposure to China) may comprise American Depositary Receipts and Global Depositary Receipts for up to 35% of the Sub-Fund's net assets.

The Sub-Fund may invest up to 20% of its net assets in contingent convertible bonds.

The Sub-Fund may invest in investment-grade and, up to 20% of its net assets, in high yielding sub-investment grade securities. Investment grade securities are generally considered to be those rated Baa3 or better by Moody's Investor Services or BBB- or better by Standard & Poor Corporation or Fitch, Inc. High yielding sub-investment grade securities are those securities rated lower than investment grade.

The Sub-Fund will not invest more than 10% of its Net Asset Value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade or without any credit rating (i.e. unrated). The average portfolio duration of the Sub-Fund will vary based on the Investment Manager's forecast of interest rates and there are no limits regarding portfolio duration or average maturity.

The Sub-Fund will not invest more than 70% of its Net Asset Value in underlying eligible investment funds and ETFs.

The Sub-Fund may use various types of derivative instruments, including but not limited to deliverable or non-deliverable forwards, currency options, currency futures, credit default swaps, bond futures for hedging purposes only.

The Sub-Fund may engage in active trading of portfolio securities to achieve its primary investment strategies. The Sub-Fund's currency exposure will be actively managed without any prescribed limits and may vary over time.

The Sub-Fund may invest up to 10% of its Net Asset Value in Money Market Instruments, money market funds and bank deposits.

Generally, the Sub-Fund may invest up to 20% of its Net Asset Value in ancillary liquid assets such as cash equivalents and cash (within the meaning of and to the extent allowed by the CSSF regulatory practice). However, under exceptional unfavourable market conditions (e.g. market crash, major crisis, adverse market conditions or periods of increased market volatility such as during periods of political or economic instability etc.), the Sub-Fund may be invested temporarily up to 100% in such assets for liquidity and cash management purposes and/or to limit downside risks.

This Sub-Fund is actively managed with reference to the 40 % JP Morgan Asia Credit Total Return Index and 60% MSCI AC Asia ex Japan Net Total Return USD Index (the "Benchmark") and is constrained by internal or external risk indicators that refer to the Benchmark. The Benchmark is also used for the purpose of performance measurements, in particular risk limitations.

Accordingly, the Benchmark will be used for asset allocation purposes. The majority of the Sub-Fund's

investments will be made in components of the Benchmark. However, the Investment Manager may use its discretion to invest in companies or sectors not included in the Benchmark in order to take advantage of specific investment opportunities. The Investment Manager is therefore not totally constrained by the Benchmark in its portfolio decisions. However, in case of active investment decisions, the Investment Manager will consider the Benchmark for risk management purposes in order to ensure that the active risks taken by the Sub-Fund remains appropriate given the Sub-Fund’s investment objective and policy. The investment strategy will restrict the extent to which the portfolio holdings may deviate from the Benchmark. This deviation may be limited. This is likely to limit the extent to which the Sub-Fund can outperform the Benchmark. The Benchmark is not consistent with the environmental and social characteristics as promoted.

Global exposure

The global exposure relating to this Sub-Fund will be calculated using a relative Value-at-Risk approach benchmarked against the 40 % JP Morgan Asia Credit Total Return Index and 60% MSCI AC Asia ex Japan Net Total Return USD Index. The expected maximum level of leverage of the Sub-Fund, under normal market conditions, calculated as the sum of the notionals of the financial derivative instruments used, is 100%, although higher levels are possible under certain circumstances, including but not limited to, during high levels of market volatility.

4. Investment Manager

The Investment Manager of the Sub-Fund is Harvest Global Investments Limited, 31/F One Exchange Square, 8 Connaught Place, Central, Hong Kong.

5. Profile of the typical investor

The Sub-Fund may be suitable for investors seeking capital appreciation over a medium to long horizon through investing in a diversified portfolio of investments in the China and Asian region market with an ESG focus.

6. Classes of Shares available for subscription

* (or the equivalent in the relevant Reference Currency if not in USD)

Class of Shares	Class R	Class RH	Class I	Class IH	Class S	Class Minerva-R
Hedging Strategy	N/A	currency hedging	N/A	currency hedging	N/A	N/A
Minimum initial investment	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A	N/A

Minimum subsequent investment	USD 1,000*	USD 1,000*	USD 250,000*	USD 250,000*	N/A	N/A
Minimum holding amount	USD 1,000*	USD 1,000*	USD 500,000*	USD 500,000*	N/A	N/A
Distribution policy	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS	ACC and DIS

Available Classes

Class R shares are reserved to retail investors.

Class I shares are reserved to Institutional Investors.

Class S shares are reserved to investors who have a separate agreement with the Investment Manager.

Class Minerva-R shares are reserved to investors who have invest seeding money in the Sub-Fund and are distributed by Athena Wealth Management Limited, sub-distributor of the Global Distributor, Harvest Global Investments Limited.

The Shares of Classes set out in the table above may be issued in the following Reference Currencies: USD, RMB, CHF, EUR, SGD, YEN, AUD, HKD. Shares issued in the aforementioned Reference Currencies will be issued as separate Classes.

Capital accumulation Classes and distribution Classes

The Shares of the Sub-Fund are available either as capital accumulation or distribution Shares.

Capital accumulation Shares are identifiable by "ACC" following the Class name and normally do not pay any dividends.

Distribution Shares are identifiable by "DIS" following the Class name. Distribution Shares may declare and pay dividends at least annually.

Currency hedging

Within the Sub-Fund separate Classes pursuing a hedging policy are available which are identifiable by "H" in the Class name. The foreign exchange exposure of the assets of the Sub-Fund attributable to any hedged Class (denominated in any currency other than USD) shall be, so far as reasonably practicable, hedged in order to minimise the impact of fluctuations in the exchange rates between USD (being the Base Currency of the Sub-Fund) and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any hedged Class with a Reference Currency other than USD into the relevant currency will be allocated solely to the relevant Class.

7 Fees and expenses

The Management Company Fees and Investment Management Fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per Share Class. The other charges detailed in the table below shall be calculated as a percentage of the investment amounts.

Class of Shares	Class R	Class RH	Class I	Class IH	Class S	Class Minerva-R
Management Company Fee	Up to 0.05% per annum					
Investment Management Fee	Up to 1.20% per annum	Up to 1.20% per annum	Up to 0.60% per annum	Up to 0.60% per annum	N/A	N/A
Sales charge	Up to 5%	N/A				
Redemption charge	N/A	N/A	N/A	N/A	N/A	N/A
Conversion charge	N/A	N/A	N/A	N/A	N/A	N/A

8. Business Day/Valuation Day/Net Asset Value calculation

With respect to this Sub-Fund, a Business Day means any full day on which banks are open for normal business banking in Luxembourg, Hong Kong and in Mainland China.

The Net Asset Value per Share of each Class will be calculated on each Business Day (the "Valuation Day").

9. Subscription

Shares of this Sub-Fund will not be offered, sold or privately placed in the United States and US Persons are not eligible for subscribing for Shares of this Sub-Fund.

Shares will be issued at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day increased, as the case may be, by any applicable sales charge, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications along with the relevant AML/KYC documentation must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day

in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for subscribed Shares has to be made no later than 2 Business Days after the relevant Valuation Day.

10. Redemption

Shares will be redeemed at a price based on the Net Asset Value per Share calculated on the relevant Valuation Day, less, any applicable redemption fee, as detailed in Section 7. "Fees and expenses" of this Sub-Fund Particular.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Day in order to be dealt with on the basis of the Net Asset Value per Share calculated on that Valuation Day. Any applications received after the applicable deadline will be deemed to be received on the next Business Day.

Payment for redeemed Shares has to be made no later than 4 Business Days after the relevant Valuation Day.

If, in exceptional circumstances, the liquidity of the Sub-Fund is insufficient to enable redemption proceeds to be paid within that period, or if there are other reasons, such as exchange controls or other regulations which delay payment, payment will be made as soon as reasonably practicable thereafter, but without interest.

11. Conversions

Investors may request conversions of their Shares from one Class to another of the same Sub-Fund or to Shares of another Sub-Fund.

Applications must be received by the Registrar and Transfer Agent no later than 5 p.m. (Luxembourg time) on the Business Day prior to the Valuation Days in both applicable Sub-Funds/Classes. Any applications received after the application deadline will be processed in respect of the next Business Day.

12. Historical Performance

Information on the historical performance of the Sub-Fund is disclosed in the relevant Key Investor Information Document, if available.

13. Dividends

Income and capital gains arising in the Sub-Fund in relation to Accumulating Shares (ACC) will be reinvested. The value of the Shares of each such Class will reflect the capitalisation of income and gains.

Income and capital gains arising in the Sub-Fund in relation Distributing (DIS) Shares will be distributed in part or in total at least annually.

14. Specific risk warnings

Investors are advised to carefully consider the risks of investing in the Sub-Fund.

For a complete description of all the risks for the Sub-Fund that the Company is aware of, please refer to the Section 5. "Risk considerations" in the general part of the Prospectus.

In addition, the following additional risk factors should be taken into consideration:

Political, Economic and Social Risks in Mainland China

Investments in Mainland China will be sensitive to any political, social and diplomatic developments which may take place in or in relation to Mainland China. Investors should note that any change in the policies of the PRC may adversely impact on the securities markets in Mainland China as well as the performance of the Sub-Fund(s) concerned.

Mainland China Economic Risks

The economy of Mainland China differs from the economies of most developed countries in many respects, including with respect to government involvement in its economy, 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 when compared with those of developed countries.

The economy in Mainland China has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of Mainland China's economy. All these may have an adverse impact on the performance of the Sub-Fund(s) concerned.

Legal and Regulatory Risk in Mainland China

The legal system of Mainland China is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in Mainland China are relatively new and their application is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.

Single Country Investment / Concentration Risk

As the Sub-Fund invests substantially in securities related to the growth of the PRC, it will be subject to risks inherent in the China market and additional concentration risks.

The Sub-Fund's portfolio may not be as well diversified in terms of the number of holdings and the number of issuers of securities that it may invest in as a broad-based fund, such as a global equity fund. Shareholders should also be aware that the Sub-Fund is likely to be more volatile than a broad-based fund as it is more susceptible to fluctuations in value resulting from limited number of holdings or from adverse conditions in the respective countries.

Renminbi related risks

RMB is currently not a freely convertible currency as it is subject to foreign exchange control and fiscal policies of and repatriation restrictions imposed by the Chinese government. There are currently no repatriation limits that affect the Sub-Fund. If such policies change in future, the Sub-Fund's or the shareholders' position may be adversely affected. There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors wish or intend to convert the redemption proceeds or dividends paid by the Sub-Fund or sale proceeds into a different currency, they are subject to the relevant foreign exchange risk and may suffer losses from such conversion as well as associated fees and charges.

Onshore versus offshore Renminbi differences risk

While both onshore Renminbi ("CNY") and offshore Renminbi ("CNH") are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that:

- (i) subscriptions and redemptions of shares may be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates; and
- (ii) the liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of Renminbi outside the PRC.

China QFI Risks

1) Investment through Investment manager or third party QFI

Under the prevailing regulations in China, foreign investors may invest in securities and investments permitted to be held or made by QFI under the relevant QFI Regulations through institutions that have obtained QFI status in China.

As of the date hereof, the Sub-Fund may invest in QFI Eligible Securities indirectly through equity linked products, including but not limited to equity linked notes and participatory notes issued by institutions that have obtained QFI status (collectively referred to as "CAAPs"). The Sub-Fund may also invest directly in QFI Eligible Securities via the QFI status of the Investment Manager.

There are rules and restrictions under current QFI Regulations including rules on investment restrictions, which are applicable to the QFI as a whole and not only to the investments made by the Sub-Fund. Investments in QFI Eligible Securities made through institutions with QFI status are generally subject to compliance with investment and market access restrictions applicable to each QFI. Such rules and restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Sub-Fund's liquidity and performance.

Investors should be aware that violations of the QFI Regulations on investments arising out of activities of the QFI could result in the revocation of or other regulatory actions, including investment in QFI Eligible Securities or through CAAPs issued by the said QFI made in the benefit of the Sub-Fund.

2) Limits on Redemption

Where the Sub-Fund is invested in China's securities market by investing through the Investment Manager's QFI status, repatriation of funds from China may be subject to the QFI Regulations in effect from time to time.

Accordingly, the investment regulations in relation to the repatriation may change from time to time. The QFI Custodian(s) may handle the capital and/or repatriation profit for the Investment Manager acting as QFI with written application or instructions as well as a tax payment commitment letter issued by the Investment Manager. As the QFI Custodian's review on authenticity and compliance will be conducted on each repatriation, the success and the efficiency of repatriation may be subject to the review by QFI Custodian(s). In usual cases, it is expected that redemption proceeds will be paid to the redeeming Shareholder as soon as practicable after the completion of the repatriation of funds concerned out of China. However, if the QFI Custodian detects any incompliance with QFI Regulations, or hold a view different from the Investment Manager's about the compliance with the QFI Regulations, the repatriation of funds may be affected and the actual time required for the completion of repatriation may be out of the Investment Manager's control.

3) Custody and Broker Risk

The QFI Eligible Securities acquired by the Sub-Fund through the Investment Manager's QFI status will be maintained by the QFI Custodian(s) in electronic form via a securities account with the China Securities Depository and Clearing Corporation Limited ("CSDCC") or such other central clearing and settlement institutions and a cash account with the QFI Custodian(s).

The Investment Manager also selects the PRC Brokers to execute transactions for the Sub-Fund in the PRC markets. The Investment Manager can appoint one or more PRC Broker(s) per market (e.g. the Shanghai Stock Exchange and the Shenzhen Stock Exchange) pursuant to the QFI Regulations. Should, for any reason, the Sub-Fund's ability to use the relevant PRC Broker be affected, this could disrupt the operations of the Sub-Fund. The Sub-Fund may also incur losses due to the acts or omissions of either the relevant PRC Broker(s) or the QFI Custodian(s) in the execution or settlement of any transaction or in the transfer of any funds or securities. Further, in the event of an irreconcilable shortfall in the assets in the securities accounts maintained by CSDCC, which may arise due to a fault in the CSDCC or bankruptcy of CSDCC, the Sub-Fund may suffer losses. It is possible that, in circumstances where only

a single PRC Broker is appointed where it is considered appropriate to do so by the Investment Manager, the Sub-Fund may not necessarily pay the lowest commission or spread available.

Subject to the applicable laws and regulations in China, the Depositary will make arrangements to ensure that the QFI Custodians have appropriate procedures to properly safe-keep the Sub-Fund's assets.

According to the QFI Regulations and market practice, the securities and cash accounts for the investment funds in China are to be maintained in the name of "the full name of the QFI investment manager – the name of the fund" or "the full name of the QFI investment manager – client account". Notwithstanding these arrangements with third party custodians, the QFI Regulations are subject to the interpretation of the relevant authorities in China.

Investors should note that cash deposited in the cash account of the Sub-Fund with the QFI Custodian(s) will not be segregated but will be a debt owing from the QFI Custodian(s) to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the QFI Custodian(s). In the event of bankruptcy or liquidation of the QFI Custodian(s), the Sub-Fund will not have any proprietary rights to the cash deposited in such cash account, and the Sub-funds concerned will become unsecured creditors, ranking pari passu with all other unsecured creditors, of the QFI Custodian(s). The Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

Under the QFI Regulations, the Investment Manager as QFI shall entrust its QFI Custodian(s) to complete relevant registration formalities or submit relevant applications to the relevant PRC authorities. The Investment Manager shall cooperate with its QFI Custodian(s) in fulfilling obligations regarding review of authenticity and compliance conducted on each repatriation, anti-money laundering, anti-terrorist financing, etc.

4) Foreign Exchange Controls

RMB is currently not a freely convertible currency and is subject to exchange controls imposed by the Chinese government. As the Sub-Fund invests in China, such controls could affect the repatriation of funds or assets out of the country, thus limiting the ability of the Sub-Fund to satisfy redemption obligations.

Although the Investment Manager may choose the currency and timing of capital inward remittances, inward remittance and repatriation made by the Investment Manager for its PRC domestic securities investments shall be in the same currency and no cross-currency arbitrage between RMB and other foreign currencies shall be allowed. The Investment Manager is allowed to convert between different foreign currencies according to their actual needs.

Therefore, the Sub-Fund will be subject to bid/offer spread on currency conversion and transaction costs.

Risks relating to the China Interbank Bond Market

The CIBM is an OTC market established in 1997. Currently, more than 95% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, central bank papers, policy bank bonds and corporate bonds.

The CIBM is in a stage of development and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume may result in prices of debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks and may suffer losses in trading Mainland China bonds. The bid and offer spreads of the prices of the Mainland China bonds may be large, and the relevant Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

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

The CIBM is also subject to regulatory risks. Due to irregularities in the CIBM trading activities, the China Government Securities Depository Trust & Clearing Co. (the central clearing entity) suspended new account opening on the CIBM for specific types of products. Although investment funds that are mutual funds offered to the public were not affected, there is no assurance that future regulatory actions will not affect such funds. If accounts are suspended, or cannot be opened, the Sub-Fund's ability to invest in the CIBM will be limited and it may suffer substantial losses as a result.

Risks relating to investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("**Northbound Trading Link**"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People's Bank of China ("**PBOC**") as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China

Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Sub-Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange ("SZSE") and ChinaClear. The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through its Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014.

Under the Shanghai-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong broker may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following: "

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota ("Daily Quota"). Northbound Shanghai Trading Link and Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong broker and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect investors in the PRC will be able to trade certain stocks listed on the SEHK. The Shenzhen-Hong Kong Stock Connect has commenced trading on 5 December 2016.

Under the Shenzhen-Hong Kong Stock Connect, the Sub-Fund, through its Hong Kong brokers may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB 6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H-Shares. At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. Northbound Shenzhen Trading Link and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A-Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A-Shares.

Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and

Settlement System ("CCASS") participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connects, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE securities. Further information about the trading fees and levies is available online at the website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Sub-Fund's assets in the PRC through its Global Custody Network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

In addition to risks regarding the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to the following additional risks:

Quota Limitations

The Stock Connects are subject to quota limitations. In particular, the Stock Connects are subject to a daily quota which does not belong to the Sub-Fund and can only be utilised on a first-come-first-served basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in China A-Shares through the Stock Connects on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategy.

Legal / Beneficial Ownership

The SSE and SZSE shares in respect of the Sub-Fund are held by the Depositary/ sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for each of the Stock Connects. The precise nature and rights of the Sub-Fund as the beneficial owners of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Sub-Fund under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE and SZSE shares will be regarded as held for the beneficial ownership of the Sub-Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk

HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated

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

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Sub-Fund's ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connects only operate on days when both the PRC 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 PRC market but the Sub-fund cannot carry out any China A-Shares trading via the Stock Connects. The Sub-Fund may be subject to a risk of price fluctuations in China A-Shares during the time when any of the Stock Connects is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Sub-Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

Operational Risk

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain

information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the 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 both markets through the program could be disrupted. The Sub-Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The Sub-Fund may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, if the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund

Investment in SSE and SZSE shares via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Sub-Fund are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE shares via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connects.

Risks associated with the Small and Medium Enterprise board and/or ChiNext market

The Sub-Fund may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices

Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the Shenzhen Stock Exchange.

Over-valuation risk

Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations

The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk

It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

PRC Taxation Risk

The Sub-Fund may be subject to Corporate Income Tax on withholding basis (“WIT”) and other taxes imposed in Mainland China.

Corporate Income Tax (“CIT”):

If the Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-tax resident enterprise with an establishment or place of business (“PE”) in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, if the Sub-Fund is a non-PRC resident enterprise without a PE in the PRC, the income derived by it from the investment in PRC securities will generally be subject to a WIT at the rate of 10%, unless exempt or reduced under specific tax circulars or relevant tax treaty.

The Investment Manager intends to manage and operate the Sub-Fund in such a manner that the Sub-Fund should not be treated as a PRC tax resident enterprise or a non-tax resident enterprise with a PE in the PRC for CIT purposes, although this cannot be guaranteed.

Any PRC WIT imposed on a QFI /A Share Access Products issuer would likely be recharged to, and borne by, the Sub-Fund under contractual agreement(s) with the QFI /A Share Access Products issuer. As such, the Sub-Fund is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority.

(i) Capital gain

Trading of China A-Shares and A Share Access Products via QFI and Stock Connect

On 14 November 2014, the Ministry of Finance (“MoF”), the State Taxation Administration (“STA”) and the China Securities Regulatory Commission (“CSRC”) jointly released Caishui [2014] No.81 (the “Notice 81”) which stipulates that PRC CIT will be temporarily exempted on capital gains derived by foreign investors on the trading of China A-Shares through Shanghai-Hong Kong Stock Connect. PRC CIT on capital gains derived by foreign investors in trading of China A-Shares through Shenzhen-Hong Kong Stock Connect will also be temporarily exempted as stipulated under Caishui [2016] No. 127 (the “Notice 127”) which was released on 5 November 2016.

On 14 November 2014, the MoF, the STA and the CSRC jointly issued Caishui [2014] No.79 (the “Notice 79”) which stipulates that:

- 1) PRC corporate income tax will be imposed on gains derived by QFIIs and RQFIIs from the transfer of PRC equity investment assets (including China A-Shares) realised prior to 17 November 2014 in accordance with laws.
- 2) QFIIs and RQFIIs, which do not have an establishment or place of business in the PRC or have an establishment or place in the PRC but the income so derived in China is not effectively connected with such establishment, will be temporarily exempt from corporate income tax on gains realised from the transfer or PRC equity investment assets (including China A-Shares) effective from 17 November 2014.

In light of the Notice 79, WIT on capital gain attributable to a Sub-Fund’s investment in A-Share access products realised from 17 November 2014 onwards should be exempted if the A-Share access products issuers do not have an establishment or place in China or have an establishment in China but the income so derived in China is not effectively connected with such establishment.

Trading of debt instruments issued by PRC tax resident enterprises via QFI, CIBM and Bond Connect

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the capital gains derived by foreign investors from disposal of debt instruments issued by PRC tax resident enterprises via QFI, CIBM and Bond Connect. In the absence of specific taxation rule, the tax treatment for investment in debt instruments issued by PRC tax resident enterprises is governed by the general taxing provisions of the CIT Law. For an enterprise that is not a tax resident enterprise and has no PE in the PRC for CIT purpose, a 10% PRC WIT would potentially apply to the PRC-sourced capital gains derived from disposal of these securities, unless exempt or reduced under relevant double tax treaties.

Pursuant to Article 7 of the Detailed Implementation Regulations of the PRC CIT Law where the property concerned is a movable property, the source shall be determined according to the location of the enterprise, establishment or place which transfer the property. The PRC tax authorities have verbally indicated that debt instruments issued by PRC tax resident enterprises are movable property. In this case, the source shall be determined based on the location of the transferor. As the Sub-Fund is

located outside of the PRC, gains derived by the Sub-Fund from disposal of the debt instruments issued by the PRC enterprises could be argued as offshore source and thus not subject to PRC WIT. However, there is no written confirmation issued by the PRC tax authorities that the debt instruments issued by PRC tax resident enterprises are movable property.

In addition to the verbal comments, Article 13.6 of the Arrangement between Mainland China and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income And on Capital (the "China-Lux Arrangement") provides that any gains derived by a Luxembourg tax resident from the disposal of PRC properties that are not referred to as in Articles 13.1 to 13.5 of the China-Lux Arrangement shall be taxable only in Luxembourg. As the debt instruments issued by the PRC tax resident enterprises are not referred to in Article 13.1 to 13.5 of the China-Lux Arrangement, capital gains derived by Luxembourg tax resident from the disposal of debt instruments issued by a PRC tax resident enterprise should technically be exempted from PRC WIT provided all the other relevant treaty conditions are satisfied (including a Tax Residency Certificate issued by the Luxembourg tax authority), subject to agreement by the PRC tax authorities. In order to qualify for this preferential treatment, the Investment Manager will further assess and seek agreement from the PRC tax authorities in relation to the Sub-Fund, although this cannot be guaranteed.

However, as a matter of practice, the 10% WIT has not been strictly enforced by local tax bureau on capital gains derived from non-PRC tax resident enterprises from the trading of these securities.

Trading of PRC collective investment schemes via QFI

There are no specific rules governing the income taxes on capital gains derived from trading of PRC collective investment schemes (e.g. equity funds, money market funds) in the PRC. The tax treatment for investment in PRC collective investment schemes issued by PRC tax resident enterprises is governed by the general taxing provisions of the CIT Law. Under such general taxing provision the Sub-Fund would be potentially subject to 10% PRC WIT on the PRC-sourced capital gains derived from disposal of PRC collective investment schemes, unless exempt or reduced under relevant double tax treaties.

Having said that, as a matter of current practice, the collection of PRC WIT on capital gains realised by QFIs from the trading of PRC collective investment schemes has not been strictly enforced by the PRC tax authorities.

(ii) Dividend and interest

Unless a specific exemption or reduction is available under current CIT Law and regulation or relevant tax treaties, non-tax resident enterprises without PE in the PRC are subject to WIT, generally at a rate of 10% on interest and dividend income arising from investments in the PRC securities. The entity distributing such interest and dividends is required to withhold such tax on behalf of the recipients.

The Sub-Fund is subject to WIT at 10% on dividends received from China A-Shares traded via QFI and Stock Connect. Under current regulations in the PRC, foreign investors (such as a Sub-Fund) may invest in onshore PRC securities (i.e. China A-Shares), generally, only through a QFI and Stock Connect. For China A-Shares invested via relevant QFI, since only the relevant QFI's interests in China A-Shares

are recognised under PRC laws, any tax liability would, if it arises, be payable by the relevant QFI, subject to further interpretations and rules that may be issued in the future. However, under the terms of the arrangement between the relevant QFI (i.e. the QFI Holder or the issuers of A-Share Access Products) and a Sub-Fund, the relevant QFI will pass on any tax liability to the Sub-Fund. As such, the Sub-Fund is the ultimate party which bears the risks relating to any PRC taxes which are so levied by the relevant PRC tax authority. Under current PRC tax laws and regulations, the relevant QFI (if without a PE in China) is subject to WIT of 10% on dividends from China A-Shares unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

Under the PRC CIT law and regulations, interest derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from CIT under the PRC CIT Law.

On 7 November 2018, the MoF and STA issued Caishui [2018] No. 108 (“Circular 108”), which stipulated that foreign institutional investors are temporarily exempted from PRC WIT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption policy would be extended after 6 November 2021.

(iii) Fund distribution from PRC collective investment schemes

There are currently no specific tax rules or regulations governing the taxation of fund distribution from the collective investment schemes to foreign investors.

According to Caishui [2008] No. 1 (“Circular 1”), fund distribution derived by investors from collective investment scheme should be temporarily exempt from CIT. However, based on the current interpretation of Shanghai tax authorities, the tax exemption under Circular 1 is not applicable to QFI. Shanghai tax authorities are in the view that fund distribution derived by QFI from collective investment schemes is subject to WIT at 10% if it is classified as dividend/interest income in the State Administration of Foreign Exchange (“SAFE”) report of the QFI. Please note that the above treatment is the prevailing practice of Shanghai tax authorities only, which may be subject to change from time to time. Other PRC tax authorities may have different interpretation and practice towards the fund distribution from collective investment schemes.

Value Added Tax (“VAT”):

(i) Capital gain

On 23 March 2016, the MoF and the STA issued Caishui [2016] No. 36 (the “Notice 36”) which shall take effect from 1 May 2016, unless otherwise stipulated therein. The Notice No. 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, unless there is specific exemption.

Under the Notice 36 and Caishui [2016] No. 70 (the “Notice 70”), gains realised by QFIIs and RQFIIs from trading of PRC marketable securities are exempted from VAT. Under the Notice 36 and the Notice 127, gains realised from trading of A-Shares through Shanghai-Hong Kong Stock Connect and

Shenzhen-Hong Kong Stock Connect are exempted from VAT. Therefore, to the extent that a Sub-Fund's investments (such as A-Shares through the Stock Connects) are conducted through these channels, the capital gains should be exempted from VAT.

Pursuant to the Notice 36 and the Notice 70, income derived by QFIIs and RQFIIs from the trading of PRC debt securities should be exempted from VAT. Gains realised by approved foreign investors from trading of RMB denominated debt securities in the CIBM are also exempt from VAT. There is no specific VAT rules on Bond Connect, by making reference to the above circular and other related prevailing tax regulations, it is anticipated that gains derived by foreign investors from the trading of PRC bonds through "Northbound Trading" should also not be subject to China VAT.

In respect of collective investment schemes, there are currently no specific tax rules or regulations governing the taxation of capital gains realised by foreign investors from trading of collective investment schemes. In practice, PRC tax authorities currently have not actively enforced the collection of VAT on capital gains from collective investment schemes.

(ii) Dividend and interest

Dividend income or profit distributions on equity investment and deposit interest income derived from China are not included in the taxable scope of VAT.

Pursuant to Notice 36, interest income derived from bonds issued by PRC tax resident enterprise should be subject to 6% VAT plus local surtaxes, unless specifically exempted. Interest income derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempted from VAT.

Notice 36 and Notice 70 do not specifically exempt VAT on interest income earned by QFIs or foreign investors. Hence, interest income on non-government bonds (including corporate bonds) technically should be subject to VAT at 6% under Notice 36 and Notice 70. According to Circular 108, foreign institutional investors are temporarily exempted from PRC VAT in respect of bond coupon interest income received from 7 November 2018 to 6 November 2021 from investments in China bond market. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption would be extended after 6 November 2021.

(iii) Fund distribution from PRC collective investment schemes

There are currently no specific tax rules or regulations governing the taxation of fund distribution realised by foreign investors from collective investment schemes. Shanghai tax authorities are in the view that fund distribution derived by QFI from collective investment schemes is subject to VAT at 6% if it is classified as interest income in the SAFE report of the QFI.

Please note that the above treatment is the prevailing practice of Shanghai tax authorities only, which may be subject to change from time to time. Other PRC tax authorities may have different interpretation and practice towards the fund distribution from collective investment schemes.

If VAT is applicable, there are also other local surtaxes (including Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge) that could amount to as high as 12% of the VAT payable.

Stamp duty:

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of China A-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

Tax Provisioning policy of the Sub-Fund:

In light of the above, the Investment Manager, having consulted independent and professional tax advice, will at present implement the following PRC tax provisioning policy:

1. The Sub-Fund will not make WIT provision for gross realised and unrealised capital gains derived from trading of PRC equity investment assets (including China A-Shares), PRC debt securities and PRC collective investment schemes.
2. The Sub-Fund will make WIT provision of 10% on bond interest received before 7 November 2018 or after 6 November 2021 from RMB denominated bonds (except PRC government bonds which are State treasury bonds issued by the in-charge finance department of the State Council of the PRC) issued by PRC tax resident enterprises, dividend from China A-Shares, interest from RMB bank deposits and fund distributions from PRC collective investment schemes if WIT is not withheld at source.
3. For bond interest received before 7 November 2018 or after 6 November 2021 and fund distributions that are classified as interest in SAFE reports, the Sub-Fund will make a provision in an amount equal to the total of (i) for VAT, 6% of the bond interest (except PRC government bonds or local government bonds) or fund distributions derived by the Sub-Fund; plus (ii) for the potential local surtaxes on VAT, 12% of the VAT amount stated in (i).

General:

There is a possibility of the PRC tax rule, regulations and practice being changed and taxes being applied retrospectively. Tax treatment on capital gains derived by OFIs from trading of PRC securities other than equity investment assets could be uncertain and may change in the future. The potential application of tax treaties is uncertain. As such, there are also risks and uncertainties associated with the current PRC tax laws, regulations and practice. As such, there is a risk that any tax provision made by the Investment Manager in respect of the Sub-Funds may be more than or less than the Sub-Fund's actual tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed in/from the Sub-Fund. If the actual tax levied by the PRC tax authorities is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Sub-Fund may suffer more than the tax provision

amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new investors will be disadvantaged. On the other hand, if the actual tax levied by the PRC tax authorities is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, investors who have redeemed the shares before the actual tax liability is determined will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new investors may benefit if the difference between the tax provision and the actual tax liability can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, investors who have already redeemed their shares in the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Sub-Fund. The Investment Manager will closely monitor any further guidance issued by the PRC tax authorities and adjust the provisioning policy of the Sub-Fund according

Investors should seek their own tax advice on their tax position with regard to their investment in any Sub-Fund.

Risks concerning Asian currencies

Insofar as the Sub-Fund invests in Asian Region fixed income and debt instruments denominated in the relevant local currency, the Sub-Fund may be subject to additional exchange rate risks. Emerging markets may be subject to additional political, social, economic, regulatory and settlement risks, these factors may adversely affect the exchange rates of emerging market currencies and hence the value of the securities held by the Sub-Fund. Adverse economic developments (such as trade barriers, exchange controls, managed adjustments in relative currency and other protectionist measures imposed or negotiated by the countries with which they trade) and/or political events (including changes in foreign exchange policies), may result in substantial depreciation in currency exchange rates or unstable currency fluctuations. As a result, currencies of emerging markets may be more volatile than major world currencies such as USD, EUR or GBP.

Sovereign risk

Certain developing countries and certain developed countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations issued or guaranteed by governments or their agencies of such countries may involve a high degree of risk. The willingness or ability of a governmental entity to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due and the relative size of the debt service burden to the economy as a whole.

Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others agencies abroad to reduce principal and arrearage on their debts. However, failure to implement economic reforms or achieve a required level of economic performance or repay debts when due may result in the cancellation of these third parties' commitments to

continuously lend funds to a governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis.

In case of default, holders of sovereign debts (including a Sub-Fund) may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant governmental entities. In addition, a Sub-Fund may invest in securities issued or guaranteed by the government of a country with a sovereign credit rating below investment grade. The performance and value of the Sub-Fund could deteriorate should there be any adverse credit events in the sovereign, in particular if there is downgrading of the sovereign credit rating or a default or bankruptcy of a sovereign occurs. There are no bankruptcy proceedings by which sovereign debt on which a governmental entity has defaulted may be recovered in whole or in part.

Contingent Convertible Securities (CoCos)

The Sub-Fund may invest in contingent securities structured as contingent convertible securities also known as CoCos.

Contingent convertible securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible securities can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible securities are risky and highly complex instruments. Coupon payments on contingent convertible securities are discretionary and may at times also be ceased or deferred by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level, or the share price of the issuer falling to a particular level for a certain period of time.

Contingent convertible securities are also subject to additional risks specific to their structure including:

- ▶ **Trigger Level Risk**

Trigger levels differ and determine exposure to conversion risk. It might be difficult for the Investment Manager of the Sub-Fund invested in contingent convertible securities to anticipate the trigger events that would require the debt to convert into equity or the write down to zero of principal investment and/or accrued interest. Trigger events may include: (i) a reduction in the issuing bank's Core Tier 1/ Common Equity Tier 1 (CT1/CET1) ratio or other ratios, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible securities into equity or write down, in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.

- ▶ **Coupon Cancellation**

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

The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

- ▶ Capital structure inversion risk

Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated. This is contrary to the normal order of the capital structure where equity holders are expected to suffer the first loss.

- ▶ Call Extension Risk

Some contingent convertible securities are issued as perpetual instruments and only callable at pre-determined levels upon approval of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible securities will be called on a call date. Contingent convertible securities are a form of permanent capital. The investor may not receive return of principal as expected on call date or indeed at any date.

- ▶ Conversion Risk

Trigger levels differ between specific contingent convertible securities and determine exposure to conversion risk. It might be difficult at times for the Investment Manager of the Sub-Fund to assess how the contingent convertible securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares since the investment policy of the Sub-Fund may not allow the holding of equity securities. Given the trigger event is likely to be some event depressing the value of the issuer's common equity, this forced sale may result in the Sub-Fund experiencing some loss.

- ▶ Valuation and Write-Down Risk

Contingent convertible securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, the Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

- ▶ Market Value Fluctuations Due to Unpredictable Factors

The value of contingent convertible securities is unpredictable and will be influenced by many factors including, without limitation (i) creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the contingent convertible securities; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect

the issuer, its particular market or the financial markets in general.

▶ Liquidity Risk

In certain circumstances finding a buyer ready to invest in contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

▶ Sector Concentration Risk

Contingent convertible securities are issued by banking and insurance institutions. The performance of the Sub-Fund which invests significantly in contingent convertible securities will depend to a greater extent on the overall condition of the financial services industry than for the Sub-Fund following a more diversified strategy.

▶ Subordinated Instruments

Contingent convertible securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible securities, such as the Sub-Fund, against the issuer in respect of or arising under the terms of the contingent convertible securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

▶ Unknown Risk

The structure of contingent convertible securities is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

Risks associated with non-investment grade debt instruments

To the extent the Sub-Fund invests in sub-investment grade debt securities or non-rated debt securities, the Sub-Fund may realise a higher current yield than the yield offered by higher-rated securities, but such investments are also associated with greater risks because of generally reduced credit worthiness and liquidity, greater price volatility, greater risk of loss of income and principal including the chance of default by or bankruptcy of the issuers of such securities.

Risks associated with high yield debt instruments

The Sub-Fund may invest in high yield fixed-income securities which carry higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a sub-fund that invests in investment grade fixed-income securities.

High yield fixed income securities includes sub-investment grade (i.e. non-investment grade) and higher yielding fixed income securities rated investment grade but which are of comparable credit quality to sub-investment grade rated securities. Credit risk is greater for investments in high yield fixed-income securities than for investment grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

Interest rate risk

One particular form of market risk is the risk of interest rate fluctuations. This is the possibility that the market interest rate applicable at the moment of issue of a fixed-interest security or money market instrument may change. Changes to the market interest rate can result from factors such as changes in the state of the economy and resulting policy decisions by the relevant central bank. If market interest rates rise, this typically results in a drop in the prices of fixed-interest securities and money market instruments. On the other hand, if the market interest rate falls, this causes the prices of fixed-income securities and money market instruments to rise.

Inversely, for short positions (especially short ETFs, financial derivatives or structured bonds), falling interest rates present a risk. As described above, they cause the price of fixed-interest securities and money market instruments to rise, thus resulting in possible losses.

In these cases, the price development means that the return on the security is roughly equivalent to the market interest rate. However, price fluctuations vary in accordance with the term. Thus, shorter terms have lower price risks than longer terms; but shorter terms generally generate lower returns than longer terms.

Equity price risk

The equity price risk is another form of market risk. This refers to the considerable price fluctuations experienced by equities and equity-like securities. In particular, this gives rise to the risk that the current price of an equity or an equity-like security may fall below the price at which the security in question was purchased. Inversely, for short positions (especially short ETFs, financial derivatives or structured bonds), falling share prices present a risk, i.e. a rise in the market price(s) may lead to losses in short positions. As a market price, the equity price results from the supply and demand on the market at the relevant time. Key factors that impact equity prices include economic expectations of individual companies and also industries, overall economic framework conditions, political expectations, speculations and interest purchases.

Commodity risk

Both commodities-related securities – in particular, equities or bonds issued by companies active in the commodities sector – and structured bonds that are collateralised by means of commodities and commodities derivatives or that are linked to their price development, and derivative instruments that are tied to the development of commodities indexes, or commodities funds (or investment funds with commodities (index) holdings) in which the fund invests as a target fund, are subject, in particular, to the following risks, which are typical of commodities markets and commodities futures markets and may have a negative impact on the unit value: strong fluctuations in supply and/or demand, government intervention, adverse weather conditions, weather conditions, (global) political disputes, war and terrorism.

Credit risk

In addition to the general trends on the capital markets, the individual issuer's performance also affects the price of a security or money market instrument.

Even when securities are selected with the utmost care, there is no way to preclude losses, for instance, in the event of dwindling assets or as a result of issuers' insolvency. The risk of creditor participation in the event of re-structuring or liquidation of a bank ("bail-in") is also a form of credit risk or issuer risk. The measures foreseen for this case can lead to a total loss of the invested capital for the creditors of a bank.

Settlement risk

This refers to the risk that a settlement within a transfer system is not executed as expected due to the failure of the other party to pay or deliver on time or as expected. The settlement risk relates to the risk of not receiving a corresponding consideration upon performance of one's obligations.

In particular, when purchasing unlisted investment products or processing them through a transfer agent, there is the risk that a completed transaction may not be fulfilled as agreed, due to a counterparty's failure to pay or de-liver, or that losses may be sustained due to operational or processing errors.

Valuation risk

Especially in times of liquidity shortages experienced by market participants due to financial crises and a general loss of confidence, the price determination for certain securities and other financial instruments on capital markets may be restricted, hampering their valuation in the Fund. Where investors simultaneously redeem large quantities of units during such times, the Management Company may be forced to sell securities at prices deviating from the actual valuation prices in order to maintain the Fund's overall liquidity.

APPENDICES

Appendix 1 Investment Restrictions, Use of Financial Derivative Instruments and Investment Techniques

General Investment Restrictions

The Company or where a UCITS comprises more than one compartment, each such Sub-Fund or compartment shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

- I. (1) The Company may invest in:
 - a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
 - b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and open to the public;
 - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union in Europe, Asia, Oceania (including Australia), the American continents and Africa (as acceptable by the Luxembourg supervisory authority including but not limited to any member state of the Organisation for Economic Cooperation and Development ("OECD") Singapore, or any member state of the G20) or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;
 - 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 Regulated Market and such admission is secured within a year of the issue.
 - e) units of UCITS and/or Other UCI, whether situated in an EU Member State or not, provided that:
 - such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in such Other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
 - the business of such Other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
 - no more than 10% of the assets of the UCITS or of the Other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or Other UCIs.
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an 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 Luxembourg supervisory authority as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Glossary, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets;
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets.

III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.

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

b) Moreover where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed

5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-Fund.

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

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

- investments in Transferable Securities or Money Market Instruments issued by that body,
 - deposits made with that body, or
 - exposures arising from OTC derivative transactions undertaken with that body
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the Net Asset Value of the Sub-Fund.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III. d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in

accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- f) Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member state of the OECD, Singapore or any member state of the G20 or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.
- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V. The Company may not acquire Shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

Each Sub-Fund may acquire no more than:

- 10% of the non-voting Shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States of the EU are members.

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

- VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or Other UCI, unless otherwise provided in the Sub-Fund Particular in relation to a given Sub-Fund.

In case a Sub-Fund may invest more than 10% in UCITS or Other UCIs, such Sub-Fund may not invest more than 20% of its net assets in units of a single UCITS or Other UCI.

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

Investments made in units of Other UCIs may not, in aggregate, exceed 30% of the net assets of such Sub-Fund.

- b) The underlying investments held by the UCITS or Other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or Other UCIs.

In respect of a Sub-Fund's investments in UCITS and Other UCIs linked to the Company as described in the preceding paragraph (excluding any performance fee, if any), the total management fee charged to such Sub-Fund itself and the other UCITS and/or Other UCIs concerned shall not exceed 1.5% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.

- d) Each Sub-Fund may acquire no more than 25% of the units of the same UCITS and/or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

VII. In compliance with the applicable laws and regulations any Sub-Fund of the Company (hereinafter referred to as a "Feeder Sub-Fund") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "Master UCITS"). A Feeder Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes;
- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder Sub-Fund investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder Sub-Fund investment into the Master UCITS.

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

VIII. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "Target Sub-Fund") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own Shares; under the condition however that:

- unless otherwise provided in the Sub-Fund Particular, the Investing Sub-Fund may not invest more than 10% of its Net Asset Value in a single Target Sub-Fund; and
- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) Net Asset Value in UCITS and UCIs; and

- voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing 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 Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

IX. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the total net assets of the relevant Sub-Fund.

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

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

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

- X. a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;
- b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) e), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as

a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III., IV. and VI. a), b) and c) while ensuring observance of the principle of risk spreading.

Financial Derivative Instruments

A. General

Each Sub-Fund may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, circulars and CSSF positions (the "Regulations"), invest in financial derivative instruments for hedging purposes, investment purposes or to provide protection against risks as disclosed for each Sub-Fund in the Sub-Fund Particulars. Financial derivative instruments may include, but are not limited to, futures, forwards, options, swaps (including, but not limited to, Total Return Swaps, credit and credit-default, interest rate and inflation swaps), swaptions and forward foreign currency contracts. New financial derivative instruments may be developed which may be suitable for use by the Company and the Company may employ such financial derivative instruments in accordance with the Regulations and collateral received will be according to its collateral policy.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the 2010 Law, in the rules and regulations of the CSSF and the Prospectus.

Under no circumstances shall these operations cause the Company and its Sub-Funds to diverge from its investment policies and restrictions.

The counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Union law and specialised in this type of transaction. The counterparties to such transactions will generally be financial institutions headquartered in an OECD member state and have directly or at parent-level an investment grade credit rating from an internationally recognised rating agency. Details of the selection criteria and a list of approved counterparties is available at the registered office of the Company.

B. Total Return Swaps

To the extent disclosed for a Sub-Fund in the Sub-Fund Particulars, a Sub-Fund may use Total Return Swaps in order to achieve its investment objective. The Company will enter into Total Return Swaps instruments on behalf of the relevant Sub-Fund by private agreement ("OTC") with counterparties which are regulated financial institutions, have their registered office in one of the OECD countries are

specialised in such types of transactions, have a minimum credit rating of investment grade quality and are subject to prudential supervision (such as credit institutions or investment firms). The counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. The legal status of the counterparties is not a relevant factor of eligibility. At no time will a counterparty to a transaction have discretion over the composition or the management of the Sub-Fund's investment portfolio or over the underlying of the Total Return Swap.

All revenues arising from Total Return Swaps will be returned to the Sub-Fund concerned.

Information on direct and indirect operational costs and fees that may be incurred in relation to Total Return Swaps, the identity of the entities to which such costs and fees are paid as well as any relationship they may have with the Management Company or the Investment Manager will be available in the annual report of the Company.

Any variation margin in connection with the Company entering into Total Return Swaps is valued and exchanged daily, subject to the terms of the relevant derivatives contract.

The risk of counterparty default and the effect on investors returns are described in section 5. "Risk Considerations" in the general part of the Prospectus.

Use of techniques and instruments relating to transferable securities and money market instruments

Each Sub-Fund must comply with the Grand Ducal Regulations of 8 February 2008 and the requirements of ESMA Guidelines 2014/937 adopted by ESMA concerning ETFs and other UCITS issues as also specified within CSSF Circular 14/592 amending and/or supplementing the existing rules governing OTC derivative instruments, efficient portfolio management techniques and the management of collateral received in the context of such instruments and techniques.

The Company may employ the following techniques and instruments related to Transferable Securities and Money Market Instruments provided that such techniques or instruments are considered by the Board of Directors as economically appropriate for the efficient portfolio management considering the investment objectives of each Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in this Prospectus or result in additional risk higher than its risk profile as described in the Sub-Fund specific text in this Prospectus. Such techniques and instruments may be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the extent permitted by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law, (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, (iii) CSSF Circular 14/592 and (iv) any other applicable laws and regulations.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivative instruments must be combined when calculating counterparty risk limits referred to in the investment restriction III. above.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund concerned.

In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Sub-Fund through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Management Company and the Investment Manager or the Depositary will be available in the annual report of the Company.

The counterparties to such transactions will generally be financial institutions headquartered in an OECD member state and have directly or at parent-level an investment grade credit rating from an internationally recognised rating agency. Details of the selection criteria and a list of approved counterparties is available at the registered office of the Company.

Investors should note that the investment policies of the Sub-Funds currently do not provide for the possibility to enter into securities lending and/or repurchase (or reverse repurchase) transactions. Should the Board of Directors decide to provide for such possibility, the Prospectus, including this Appendix 1, will be updated prior to the entry into force of such decision in order for the Company to comply with the disclosure requirements of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("**SFTR**").

Management of collateral and collateral policy

General

In the context of OTC financial derivative instruments (in particular Total Return Swaps) and efficient portfolio management techniques, each Sub-Fund concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by a Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purposes of this section.

Eligible collateral

Collateral received by the relevant Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the

management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (a) Any collateral received other than cash should be of high quality, 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;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Sub-Fund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. In such event, the relevant Sub-Fund should 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;
- (e) It should be capable of being fully enforced by the relevant Sub-Fund at any time without reference to or approval from the counterparty;
- (f) Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

No maturity limits are applied in relation to collateral received.

Subject to the abovementioned conditions, collateral received by the Sub-Funds may consist of:

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (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 worldwide scope;
- (c) Shares or units issued by money market UCIs 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 (e) and (f) below;

- (e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;
- (f) Shares admitted to or dealt in on a Regulated Market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Cash collateral received shall only be:

- placed on deposit with entities prescribed in the 2010 Law;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. In case of reinvestment of cash collateral, all risks associated with a normal investment will apply. Such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund concerned, or (iii) yield a sum less than the amount of collateral to be returned.

At the date of this Prospectus, the Company only receives cash collateral and cash collateral will not be reused. As the Company currently only receives cash collateral, there is therefore no collateral revaluation made on the haircut nor arrangements in place to reassess the haircuts as a result of a collateral valuation fluctuations,

Level of collateral

The Investment Manager shall determine for each Sub-Fund the required level of collateral for OTC financial derivative instruments and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

The following haircuts for collateral are applied (the Company reserves the right to vary this policy at any time):

Eligible Collateral	Haircut
Cash EUR GBP USD	0%
Government Bonds (AAA to AA)	2%
Government Bonds (AAA to AA) with a mismatch of currency of exposure and currency of collateral	4%
Government Bonds (AA- to A-)	5%
Government Bonds (AA- to A-) with a mismatch of currency of exposure and currency of collateral	7%
Government Bonds (BBB+ to BBB-)	8%
Government Bonds (BBB+ to BBB-) with a mismatch of currency of exposure and currency of collateral	10%
Shares quoted or negotiated on a regulated market of a EU Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index	20%
Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent	1%