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PROSPECTUS  
MARCH 2017

# THREADNEEDLE (LUX) PROSPECTUS

# **Threadneedle (Lux)**

## **SICAV**

A Luxembourg Undertaking  
*For Collective Investment  
In Transferable Securities  
Under Part I of the Law of 17 December 2010*

## **Prospectus**

March 2017

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## Directory

### Directors

Marie-Jeanne Chèvremont-Lorenzini  
Dominik Kremer  
Tony Poon  
Claude Kremer

### Management Company

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Grand Duchy of Luxembourg

### Directors of the Management Company

Timothy Gillbanks (Chairman)  
Dominik Kremer  
Tony Poon  
Andrew Chan  
Laura Weatherup

### Depository, Domiciliary, Administrative and Paying Agent

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31 Z.A. Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg

### Auditor

PricewaterhouseCoopers, société coopérative  
2, rue Gerhard Mercator, B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

### Registered Office

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L-8070 Bertrange  
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### Registrar and Transfer Agent

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### Hong Kong Representative

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L-1014 Luxembourg  
Grand Duchy of Luxembourg

### Luxembourg Legal Advisers

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L-1011 Luxembourg  
Grand Duchy of Luxembourg

## Important Information

**No person may rely on any information other than that contained in this Prospectus or in the documents specified herein as being available for public inspection.**

If you are in any doubt about the contents of this Prospectus, you should consult an independent financial adviser. Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein. No dealer, sales representative or any other person is authorised to give any information or to make any representations concerning Threadneedle (Lux) (the "SICAV"), other than as contained in this Prospectus, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the purchaser.

The Directors, whose names appear under the heading "The SICAV", are the persons responsible for the information contained in this Prospectus. To the best knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

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

**The price of the SICAV's Shares and any income earned on the Shares may go down as well as up. Future earnings and investment performance can be affected by many factors not necessarily within the control of the SICAV or its Directors or officers. For example, changes in exchange rates between currencies, changes in effective interest rates, or changes in market conditions due to a wide range of political or economic factors, as well as the performance of individual companies, may cause the value of an investment to fluctuate. No guarantees as to future performance of, or future return from, the SICAV can be given by the SICAV itself, or by any Director or officer of the SICAV, by the Management Company, or any of its affiliates, or by any of their directors or officers, or by any authorised dealers.**

Subscriptions are accepted only on the basis of the current Prospectus and/or Key Investor Information document (the "Key Investor Information Document" or "KIID") accompanied by the most recent annual report and any subsequent semi-annual report of the SICAV, when issued. Such reports form an integral part of this Prospectus. The Prospectus, the Key Investor Information, the annual and semi-annual reports may be translated into other languages. In the case of any ambiguity, the English language version shall prevail to the extent permitted by applicable law.

The Key Investor Information contains the essential characteristics of the SICAV, and shall be provided to investors before their proposed subscription of Shares. The KIID is a pre-contractual document and investors will have to confirm that they have read the latest KIID before making a subscription. The Management Company has the right to reject a subscription if the investor does not confirm that they have read the latest

KIID at the time of application. Investors can obtain the latest version of the KIID on the website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com).

Persons interested in purchasing Shares should inform themselves as to: (a) the legal requirements within their own countries for the purchase of Shares; (b) any foreign exchange restrictions which may be applicable; and (c) the income and other tax consequences of a purchase, exchange and/or redemption of Shares. In addition, certain distributors, selected dealers and financial intermediaries may not offer all of the SICAV's portfolios (the "Portfolios") or Classes described in this Prospectus. For more information, consult your distributor, selected dealer or financial intermediary.

The Portfolios have not been registered under the U.S. Investment Company Act of 1940. In addition, the Shares of each Portfolio have not been registered under the Securities Act and may not be and will not be offered for sale or sold in the United States, its territories or possessions or to a United States Person. The Articles contain certain restrictions on the sale and transfer of Shares of each Portfolio to such persons. See the sections "The SICAV" and "Restrictions on Ownership" of this document.

No dealer, sales representative or any other person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, or in any documents referred to herein as being available for inspection by the public, in connection with the offer made hereby, and, if given or made, such information or representations must not be relied upon as having been authorised by the SICAV or the Management Company. Applications for Shares of any Portfolio are subject to acceptance by the SICAV.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or invitation to subscribe for any Shares by any person in any jurisdiction (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Prospective purchasers of Shares should inform themselves as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

## Introduction

Threadneedle (Lux) is an investment company with variable capital ("*société d'investissement à capital variable*") formed under the laws of the Grand Duchy of Luxembourg and qualifies in Luxembourg as a UCITS.

The SICAV offers investors the opportunity to invest in separate Portfolios. Each Portfolio has a different investment objective and is a separate portfolio of assets represented by separate Shares. Each Portfolio may have one or more Classes of Shares related to it. The SICAV as a whole, including all of the existing Portfolios and all future Portfolios, is one legal entity. However, with regard to third parties and, in particular, with regard to the SICAV's creditors and as between Shareholders, each Portfolio shall be exclusively responsible for all liabilities attributable to it.

Threadneedle Management Luxembourg S.A. has been appointed as the Management Company to the SICAV.

The Portfolios of the SICAV are as follows:

### The Bond Portfolios

Threadneedle (Lux) – Global Strategic Bond (hereafter "Global Strategic Bond")  
 Threadneedle (Lux) – Global Corporate Bond (hereafter "Global Corporate Bond")  
 Threadneedle (Lux) – European Strategic Bond (hereafter "European Strategic Bond")  
 Threadneedle (Lux) – Emerging Market Corporate Bonds (hereafter "Emerging Market Corporate Bonds")  
 Threadneedle (Lux) – Emerging Market Debt (hereafter "Emerging Market Debt")  
 Threadneedle (Lux) – Global Emerging Market Short-Term Bonds (hereafter "Global Emerging Market Short-Term Bonds")  
 Threadneedle (Lux) – US High Yield Bond (hereafter "US High Yield Bond")  
 Threadneedle (Lux) – US Investment Grade Corporate Bond (hereafter "US Investment Grade Corporate Bond")  
 Threadneedle (Lux) – Flexible Asian Bond (hereafter "Flexible Asian Bond")

(each, a "Bond Portfolio", and together, the "Bond Portfolios")

### The Asset Allocation Portfolio

Threadneedle (Lux) – Global Asset Allocation (hereafter "Global Asset Allocation")  
 Threadneedle (Lux) – Global Multi Asset Income (hereafter "Global Multi Asset Income")

(each, an "Asset Allocation Portfolio", and together the "Asset Allocation Portfolios")

### The Equity Portfolios

Threadneedle (Lux) – Global Focus (hereafter "Global Focus")  
 Threadneedle (Lux) – Global Emerging Market Equities (hereafter "Global Emerging Market Equities")  
 Threadneedle (Lux) – Global Smaller Companies (hereafter "Global Smaller Companies")  
 Threadneedle (Lux) – American (hereafter "American")  
 Threadneedle (Lux) – American Select (hereafter "American Select")  
 Threadneedle (Lux) – India Opportunities (hereafter "India Opportunities")  
 Threadneedle (Lux) – Asia Contrarian Equity (hereafter "Asia Contrarian Equity")  
 Threadneedle (Lux) – Asian Focus (hereafter "Asian Focus")  
 Threadneedle (Lux) – Developed Asia Growth and Income (hereafter "Developed Asia Growth and Income")  
 Threadneedle (Lux) – US Contrarian Core Equities (hereafter "US Contrarian Core Equities")  
 Threadneedle (Lux) – Pan European Equities (hereafter "Pan European Equities")  
 Threadneedle (Lux) – Pan European Small Cap Opportunities (hereafter "Pan European Small Cap Opportunities")  
 Threadneedle (Lux) – European Select (hereafter "European Select")  
 Threadneedle (Lux) – Asian Equity Income (hereafter "Asian Equity Income")  
 Threadneedle (Lux) – Greater China Equities (hereafter "Greater China Equities")  
 Threadneedle (Lux) – Global Energy Equities (hereafter "Global Energy Equities")  
 Threadneedle (Lux) – Global Technology (hereafter "Global Technology")  
 Threadneedle (Lux) – Mondrian Investment Partners – Emerging Markets Equity (hereafter "Mondrian Investment Partners – Emerging Markets Equity")  
 Threadneedle (Lux) – UK Equities (hereafter "UK Equities")  
 Threadneedle (Lux) – UK Equity Income (hereafter "UK Equity Income")  
 Threadneedle (Lux) – STANLIB Africa Equity (hereafter "STANLIB Africa Equity")  
 Threadneedle (Lux) – STANLIB Global Emerging Markets Property Securities (hereafter "STANLIB Global Emerging Markets Property Securities")

(each, an "Equity Portfolio", and together, the "Equity Portfolios")

<sup>1</sup> This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

## The Absolute Return Portfolios

Threadneedle (Lux) – American Absolute Alpha (hereafter “American Absolute Alpha”)

Threadneedle (Lux) – Diversified Alternative Risk Premia (hereafter “Diversified Alternative Risk Premia”)

Threadneedle (Lux) – Global Opportunities Bond (hereafter “Global Opportunities Bond”)

Threadneedle (Lux) – Pan European Absolute Alpha (hereafter “Pan European Absolute Alpha”)

(each, an “Absolute Return Portfolio”, and together, the “Absolute Return Portfolios”)

## The Specialist Portfolio

Threadneedle (Lux) – Enhanced Commodities (hereafter “Enhanced Commodities”) (the “Specialist Portfolio”)

## The Shariah Portfolio

Threadneedle (Lux) – Gatehouse Shariah Global Equity (hereafter “Gatehouse Shariah Global Equity”)<sup>2</sup> (the “Shariah Portfolio”)

Multiple Share Classes are available in respect of each Portfolio as described in the loose leaf to the Prospectus.

**The Shares presently issued are offered for sale, where legally permitted, and all subscriptions are accepted on the basis of the current Prospectus and either the last available annual report of the SICAV containing its audited accounts, or the most recent semi-annual report which are available at the registered office of the SICAV.**

<sup>2</sup> This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors’ discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

## Investment Objectives and Policies

Set forth below are the investment objectives and policies of each Portfolio. The SICAV is authorised, by amendment to the Prospectus, to offer Shares in additional Portfolios if and when the Directors, the Management Company determine that there is sufficient interest in any such additional Portfolio to warrant an offering of its Shares. There can be no assurance that any Portfolio will achieve its investment objective. Unless specifically stated otherwise, the Net Asset Value of the Portfolios shall be expressed in U.S. Dollars and investment decisions will be made from a U.S. Dollar perspective, unless otherwise indicated. Certain Classes of the Portfolios may be expressed in currencies other than the Base Currency as noted in the loose leaf to the Prospectus.

In addition to the following investment objectives and policies, each Portfolio may employ the investment practices described under "Other Investment Practices" and in Appendix A "Investment Restrictions" and in Appendix B "Investment Techniques and Instruments".

A Portfolio may invest in another Portfolio under the conditions set forth by Luxembourg laws and regulations.

The attention of the investors is drawn to the fact that investing in the following Portfolios may involve specific risks described under "Risk Factors" below. Investors should consider such risks before investing in any of the Portfolios especially risks linked to investment in financial derivative instruments when appropriate.

### The Bond Portfolios:

#### Global Strategic Bond

The Global Strategic Bond Portfolio seeks to achieve total return from income and capital appreciation by investing principally either directly, or indirectly through derivatives, in a managed portfolio of (i) government and non-government fixed income and floating rate securities that are Investment Grade or non-Investment Grade, (ii) when deemed appropriate, currencies (as the Portfolio will take active currency positions through the use of financial derivative instruments), and (iii) when determined appropriate cash and Money Market Instruments.

In order to implement the Portfolio's investment policy, the Sub-Advisor may use financial derivative instruments for investment purposes. The instruments to be used to that effect will typically include, without being limited to, interest rate swaps and futures, credit default swaps, forward foreign exchange, bond futures and options. For example, the Sub-Advisor may use interest rate swaps (where the underlying is the reference swap rate for a particular currency, e.g. US dollar, Euro or Sterling) or bond futures (where the underlying is a fixed income security, e.g. US Treasuries or Euro-Bund) to enter into curve trades, a relative value strategy allowing the Portfolio to benefit from anticipated flattening or steepening of the yield curve. Similarly, forward foreign exchange contracts (where the underlying are developed or emerging market currencies) may be used for investment purposes to benefit from expected movements in exchange rates between certain currencies. Credit default swaps on sovereign or corporate fixed income securities may be used to sell credit protection against credit default, in order to take synthetic exposure to the credit markets, or to buy protection in order to take advantage of anticipated increases in credit spreads. Options on the above instruments may be used for investment purposes,

for example to enter put or call spread trades on short term interest rate futures. Investors should note that the use of financial derivative instruments for investment purposes may increase the risk profile of the Portfolio and the level of leverage exhibited, which may in turn lead to increased movements in the Portfolio's net asset value when compared to less leveraged Portfolios.

In addition, it is to be noted that the Sub-Advisor may also use financial derivative instruments for hedging purposes. These will typically include, without being limited to, interest rate swaps, credit default swaps, bond futures and forward foreign exchange contracts. Credit default swaps allow the Sub-Advisor to buy protection against the default risk of individual sovereign or corporate fixed income securities, or baskets of such securities, to reduce the credit risk of the Portfolio. Forward foreign exchange contracts on developed and emerging market currencies may be used to reduce the currency risk attributed to securities denominated in currencies other than the base currency of the Portfolio. Interest rate swaps may also be used for hedging purposes, if the Sub-Advisor wishes to reduce interest rate risk associated with the government and non-government fixed income securities in the Portfolio. Bond futures may also be used to adjust the duration of the Portfolio, if the Sub-Advisor wishes to align the duration with that of the reference portfolio of the Portfolio.

The combined use of financial derivative instruments as described above, for both investment and hedging purposes, will result in the Portfolio's expected "gross" level of leverage, determined on a sum of notionals basis<sup>3</sup>, ranging between 0-1,300%. Investors should note that part of the leverage may be attributed to positions designed to reduce risk within the Portfolio through hedging, including transactions relating to the hedged Classes of the Portfolio. It should be noted that the expected level of leverage will typically be at the upper end of the indicated range only when the Portfolio will have increased exposure to short term interest rate derivatives; financial derivative instruments which typically require, due to their nature, relatively large notional positions to achieve the desired level of market risk. It is possible in market conditions where the Sub-Advisor feels it appropriate to take a larger than normal exposure to such short term interest rate futures, that the level of leverage of the Portfolio on a sum of notionals basis may be temporarily higher than the expected upper level. In such case, the Sub-Advisor should take, in due course, any relevant measures to reduce the level of leverage by reducing such exposure. Investors should also note that the Portfolio's leverage range determined on the basis of the sum of notionals approach does not take into account the netting operated between certain financial derivative instruments used for investment purposes and other financial derivative instruments used for hedging purposes. It shall be thus noted that, the expected "net" level of leverage of the Portfolio, determined on the commitment approach<sup>4</sup>, shall only range between 0 and 300%; such range is, in the Sub-Advisor's opinion, a better reflection of the Portfolio's risks associated to leverage. For example, forward foreign exchange contracts used for hedging purposes, or a credit default swap on an underlying held by the Portfolio, may be netted off for the purposes of calculating the level of leverage on a commitment basis. It shall be noted that the upper limit may typically be reached or temporarily exceeded under the same conditions as those described above for the sum of notionals approach; similarly, the Sub-Advisor should take, in due course, any relevant measures to reduce the level of leverage.

<sup>3</sup> See footnote 12.

<sup>4</sup> See footnote 13.



**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek returns from both income and moderate capital appreciation;
- are looking to diversify their investments through exposure to global bonds;
- will accept moderate to high volatility and have a moderate to high risk tolerance;
- have a medium to long-term investment horizon.

**European Strategic Bond**

The European Strategic Bond Portfolio seeks to achieve total return from income and capital appreciation by investing principally in short to-medium term European sovereign bonds and corporate bonds (including Contingent Convertible Bonds for up to 5% of the Portfolio's Net Asset Value), that are Investment Grade or non-Investment Grade, primarily issued by companies domiciled in Europe or with significant operations in Europe.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, futures on transferable securities and interest rate swaps. The Portfolio seeks to actively manage currency exposure and interest rate risk through the use of such derivative instruments.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek potential total return through income and capital appreciation;
- seek to diversify their investments through exposure to European debt;
- seek active management of interest rate risk;
- will accept moderate volatility and moderate to high level of risk;
- have a medium to long-term investment horizon.

**Global Corporate Bond**

The Global Corporate Bond Portfolio seeks to achieve a total return from income and capital appreciation by investing principally, either directly or indirectly through derivatives, in a portfolio focused on Investment Grade corporate debt fixed income and floating rate securities, and when determined appropriate cash and Money Market Instruments. The Portfolio may also invest up to one third of its assets in debt securities other than Investment Grade corporates including, but not limited to, government and Below Investment Grade securities, which may include, without being limited to, asset-backed and/or mortgage backed Transferable Securities (not exceeding 20% of the Portfolio's Net Asset Value).

The Portfolio may use financial derivative instruments for investment purposes and hedging. These derivatives may include, but are not limited to, foreign currency exchange and over the counter contracts, futures and options on Transferable Securities, interest rate swaps and credit default swaps.

Where securities are denominated in a currency other than U.S. Dollars it is intended that they will typically be hedged back into U.S. Dollars.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek potential total returns through income and capital appreciation;
- seek investment exposure to global corporate credit bond markets;
- are willing to take on a moderate level of risk;
- have a medium-term investment horizon.

**Emerging Market Corporate Bonds**

The Emerging Market Corporate Bonds Portfolio seeks to achieve total return from income and capital appreciation by investing principally in U.S. Dollar-denominated or U.S. Dollar hedged Investment Grade and Below Investment Grade debt and other obligations issued or guaranteed by institutions and corporations having their head office in, or conducting a significant part of their business in, Emerging Market Countries.

The Portfolio may secondarily invest in other debt securities, including bonds issued by sovereign borrowers from Emerging Market Countries, bonds issued by sovereign and corporate borrowers from OECD, deposits, cash and near cash.

Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, interest rate swaps, interest rate futures and credit default swaps.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek returns from both income and capital appreciation;
- seek to diversify their investments through exposure to emerging market corporate debt;
- will accept high volatility and high level of risk;
- have a medium to long-term investment horizon.

**Emerging Market Debt**

The Emerging Market Debt Portfolio seeks to achieve total return from income and capital appreciation by investing principally in sovereign bonds and corporate bonds issued by borrowers from Emerging Market Countries.

The Portfolio may further invest in other fixed income securities, including bonds issued by countries making up the G-7, deposits, cash and near cash.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek potential total return through income and capital appreciation;
- seek diversification within their investments through exposure to emerging market debt;

- can tolerate the high volatility associated with emerging market debt;
- are willing to take on a high level of risk;
- have a long-term investment horizon.

### Global Emerging Market Short-Term Bonds

The Global Emerging Market Short-Term Bonds Portfolio seeks to achieve total return from income and capital appreciation by investing principally in a globally diversified range of Transferable debt Securities. Such securities will be issued or guaranteed by emerging market sovereignties or supranational entities, or financial institutions or corporations headquartered in Emerging Market Countries. The Portfolio may also invest secondarily in debt securities issued or guaranteed by G-7 sovereignties or supranational entities and in credit linked notes.

The Portfolio may invest in securities denominated in various currencies and will generally hedge non-U.S. Dollar exposures. However, the maximum amount of non-U.S. Dollar exposure remaining unhedged will not exceed 35% of the net assets of the Portfolio. At the same time, the maximum amount of non-U.S. Dollar exposure remaining unhedged in any one currency will not exceed 10% of the net assets of the Portfolio. The Portfolio will have an average duration of five years or less.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, foreign currency exchange contracts, interest rate swaps, interest rate futures and credit default swaps.

Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek potential total return through income and capital appreciation;
- seek diversification within their investments through exposure to emerging market short-term debt;
- can tolerate the high volatility associated with emerging market debt;
- are willing to take on a high level of risk;
- have a long-term investment horizon.

### US High Yield Bond

The US High Yield Bond Portfolio seeks to achieve total return from capital appreciation and income by investing principally in income-producing U.S. Dollar denominated debt securities with an emphasis on the High Yield market. The Portfolio will invest under normal circumstances at least two thirds of its net assets in a diversified portfolio of debt securities that are rated Below Investment Grade. The Portfolio will not generally purchase debt securities rated below "C" by S&P or by Moody's or that have an equivalent rating by another NRSRO, or are unrated and believed to be of similar quality. All ratings apply at the time the investment is made. If the rating of a security changes subsequent to purchase, the security may continue to be held at the Sub-Advisor's discretion.

The Portfolio may invest secondarily in other securities and may employ other investment strategies that are not principal investment strategies. The Portfolio's policies permit investment in other Transferable Securities, including non income-producing securities and common stocks. The Portfolio may invest up to 25% of its net assets in non-U.S. securities and up to 10% of its net assets in non-U.S. Dollar denominated securities.

The Portfolio may also use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include, but are not limited to, interest rate futures, interest rate options, interest rate swaps, total/excess return swaps and credit default swaps.

Investment in debt securities rated Below Investment Grade entails special risks and may not be appropriate for all investors.

### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek potential total return through higher income and capital appreciation;
- seek diversification in their investments through exposure to the U.S. Dollar denominated high-yield market;
- can tolerate the high price volatility and lower liquidity associated with lower-rated debt securities;
- are willing to take on a high level of risk;
- have a long-term investment horizon.

### US Investment Grade Corporate Bond

The US Investment Grade Corporate Bond Portfolio seeks to achieve a total return from income and capital appreciation by investing principally in a portfolio of corporate bonds issued by US domiciled business entities, which are denominated in the U.S. Dollar and rated as Investment Grade at the time of purchase.

Secondarily, the Portfolio may invest in other securities including, but not limited to:

- U.S. Dollar denominated corporate debt securities issued by non-US domiciled business entities that are rated as Investment Grade at the time of purchase;
- U.S. Dollar denominated corporate debt securities issued by US or non-US domiciled business entities that are rated as Below Investment Grade;
- 144A unregistered securities;
- US Treasuries;
- securities issued by US agencies, sponsored corporations and agencies sponsored by the US government; and
- cash and Money Market Instruments.

No more than 10% of the Portfolio's net assets may be invested in debt securities rated below Investment Grade and the Portfolio does not invest in debt securities rated below B- at the time of purchase, using the rules set out under the definition of "Investment Grade".

**Typical Investor Profile**

This Portfolio is suitable for investors who:

- seek total returns through income and capital appreciation;
- seek investment exposure to US corporate credit bond markets;
- are willing to take on a moderate level of risk;
- have a medium-term investment horizon.

**Flexible Asian Bond**

The Flexible Asian Bond Portfolio seeks to achieve a total return from income and capital appreciation by investing principally, either directly or indirectly through derivatives, in a portfolio of government and non-government fixed income and floating rate securities (including covered bonds, perpetual bonds, and callable and puttable bonds) that are either Investment Grade or Below Investment Grade at the time of purchase, and when determined appropriate cash and Money Market Instruments. The Portfolio may also invest in asset-backed Transferable Securities (not exceeding 20% of the Portfolio's Net Asset Value), Convertible Bonds and preference shares. These securities will be denominated either in U.S. Dollars or in Asian currencies (with the exclusion of Japanese Yen) and issued or guaranteed by institutions and corporations having their head office in, or exercising the predominant part of their economic activity in Asia (with the exclusion of Japan). The Portfolio may also invest in currencies, including non-Asian currencies, either directly or indirectly through financial derivative instruments.

The Portfolio may use financial derivative instruments for investment and hedging purposes. These derivatives may include, but are not limited to, deliverable and non-deliverable forward foreign exchange contracts (relating to Asian and non-Asian currencies), futures and options on Transferable Securities, interest rate swaps and credit default swaps.

**Typical Investor Profile**

This Portfolio is suitable for investors who:

- seek potential total returns through income and capital appreciation;
  - seek investment exposure to Asian (excluding Japan) bond markets.
- The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate the high price volatility and lower liquidity associated with lower-rated and other less-liquid debt securities;
  - are willing to take on a high level of risk;
  - have a long-term investment horizon.

**The Asset Allocation Portfolios:****Global Asset Allocation**

The Global Asset Allocation Portfolio seeks to achieve a return from income and capital appreciation.

The Portfolio will invest globally principally in the equity and fixed income securities of both government and corporate issuers, either directly, or indirectly through financial derivative instruments and/or collective investment schemes, as well as in forward currency exchange contracts and, when determined appropriate on a defensive basis, in cash and Money Market Instruments. The Portfolio may also gain indirect exposure

to commodities through, but not limited to, investment in collective investment schemes, securitised notes and/or financial derivative instruments where such derivatives' underlying instruments are indices. The Portfolio will not invest in physical commodities or property.

The Portfolio may use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes. The use of derivatives for investment purposes may increase the risk profile of the Portfolio.

The Portfolio retains the flexibility to vary its exposure between asset classes where it deems necessary in order to achieve the investment objective.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation in a globally asset-allocated portfolio;
- seek to add diversification to their investments through exposure to global equities, fixed income, cash, currencies and commodities;
- have a medium to high level of risk tolerance;
- have a medium- to long-term investment time horizon.

**Global Multi Asset Income**

The Global Multi Asset Income Portfolio seeks to achieve an income with the prospect of capital appreciation over the medium to long term.

The Portfolio will invest principally in global fixed income and global equity securities. The Portfolio may further invest in cash and other securities globally (including Money Market Instruments, currencies, REITs, convertible debt securities and other asset classes). The Portfolio will follow a flexible asset allocation policy to achieve the investment objective, and this may result in the Portfolio having no exposure to particular asset classes.

The Portfolio may invest up to 10% in other UCITS or UCIs, and may use derivatives for investment purposes and hedging, including the generation of additional income. Such derivatives may include but are not limited to, futures and options, interest rate swaps, and foreign currency exchange contracts.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek potential total returns from income and capital appreciation;
- seek investment diversification through exposure to global fixed income and equity markets;
- will accept moderate to high volatility and a moderate to high level of risk;
- have a medium to long-term investment horizon.

**The Equity Portfolios:****Global Focus**

The Global Focus Portfolio seeks to achieve capital appreciation by investing principally in a concentrated portfolio of equity securities of corporate issuers listed, domiciled or conducting a significant part of their business in developed and Emerging Market Countries. Secondly, the Portfolio may invest in securities convertible into equity securities and/or warrants.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation through a globally-focused equity fund;
- seek investment diversification through exposure to global equities;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- can tolerate high volatility in the value of their investment;
- have a long-term investment horizon.

**Global Emerging Market Equities**

The Global Emerging Market Equities Portfolio seeks to achieve long-term capital appreciation by investing principally in the equity securities of Emerging Market Countries companies. These are defined as companies domiciled in and/or whose significant activities are in Emerging Market Countries. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation through a global emerging market-focused equity fund;
- seek investment diversification through exposure to Emerging Market Countries equities;
- have a high level of risk tolerance commensurate with an investment in developing countries;
- can tolerate frequent periods of high volatility and risk;
- have a long-term investment horizon.

**Global Smaller Companies**

The Global Smaller Companies Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of Global Smaller Companies. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment diversification through exposure to global equities;
- seek investment exposure to small size companies. The investor should be aware that there are certain risks associated with investing in smaller companies that may include greater market price volatility and greater vulnerability to fluctuations in the economic cycle;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

**American**

The American Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of medium to large companies domiciled in North America or with significant North American operations. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment diversification through exposure to the North American equity market. The investor should be aware that geographic concentration may add more volatility than a more geographically diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

**American Select**

The American Select Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in North America or which have significant North American operations. These may include large, medium and smaller companies. There will be no particular specialisation. The select investment approach means that the Portfolio has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the North American equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

**India Opportunities<sup>5</sup>**

The India Opportunities Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies listed, domiciled or exercising a predominant part of their economic activity in India.

The Portfolio will invest in such securities directly or indirectly through instruments such as, but not limited to, depositary receipts.

Secondarily, the Portfolio may invest in other securities including securities convertible into equity securities, warrants, REITs and Money Market Instruments.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to India. The investor should be aware that geographic concentration may result in more volatility than with a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single Emerging Market country;
- have a long-term investment horizon.

<sup>5</sup> This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

### Asia Contrarian Equity

The Asia Contrarian Equity Portfolio seeks to achieve long-term capital appreciation by investing principally in the equity securities of companies listed, domiciled, or exercising the predominant part of their economic activity in the Asia Pacific region (excluding Japan).

The Sub-Advisor will take a contrarian approach to security selection, with an emphasis on stocks that have underperformed the market due to negative sentiment, but which it believes have the potential for recovery.

The Portfolio may further invest in other securities including convertible debt securities, real estate investment trusts and Money Market Instruments.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the equity markets of the Asia Pacific region (excluding Japan). The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

### Asian Focus

The Asian Focus Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies listed or domiciled, or exercising the predominant part of their economic activity in the Asia Pacific region (excluding Japan). These may include large, medium and smaller companies. The Portfolio has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

The Portfolio may further invest in other securities including convertible debt securities, real estate investment trusts and Money Market Instruments.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the equity markets of the Asia Pacific region (excluding Japan). The investor should be aware that geographic, stock or sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

### Developed Asia Growth and Income

The Developed Asia Growth and Income Portfolio seeks to achieve returns comprising of income and capital growth by investing principally in the equity securities of companies listed or domiciled in the developed countries (i.e. countries that are not Emerging Market Countries) of the

Asia Pacific region (excluding Japan), or exercising the predominant part of their economic activity in such markets.

The Portfolio may further invest in other securities, including convertible debt securities, real estate investment trusts and Money Market Instruments.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek income and capital appreciation;
- seek investment exposure to the equity markets of countries that are not Emerging Market Countries in the Asia Pacific region (excluding Japan). The investor should be aware that geographic or sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

### US Contrarian Core Equities

The US Contrarian Core Equities Portfolio seeks to achieve long-term capital appreciation by investing principally in the equity securities of large cap companies (generally over US\$ 2 billion in market capitalisation, as at time of purchase) listed, domiciled, or conducting a significant part of their business in the United States. The Sub-Advisor will take a contrarian approach and will specifically target stocks that it believes are undervalued by the market.

The Portfolio may use financial derivative instruments for investment purposes, hedging and efficient portfolio management. These derivatives may include but are not limited to equity swaps, options, futures and foreign currency exchange contracts.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the US equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment time horizon.

### Pan European Equities

The Pan European Equities Portfolio seeks to achieve capital appreciation by investing principally in the equity of large companies domiciled in Europe or with significant European activities. The Portfolio may further invest in the equity securities of European Smaller Companies and other securities (including fixed income securities, other equities and Money Market Instruments).

The Net Asset Value of the Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the European equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

**Pan European Small Cap Opportunities**

The Pan European Small Cap Opportunities Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of European Smaller Companies. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

The Net Asset Value of this Portfolio shall be expressed in Euro and investment decisions will be made from a Euro perspective.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the European equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- seek investment exposure to small size European companies. The investor should be aware that there are certain risks associated with investing in smaller companies that may include greater market price volatility and greater vulnerability to fluctuations in the economic cycle;
- can tolerate potentially large fluctuations in share price;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

**European Select**

The European Select Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in Continental Europe or which have significant Continental European operations. These may include large, medium and smaller companies. There will be no particular specialisation. The select investment approach means that the Portfolio has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to Continental European equity markets. The investor should be aware that geographic, stock or sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;

- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

**Asian Equity Income**

The Asian Equity Income Portfolio seeks to achieve income and capital appreciation by investing principally in the equity securities of companies domiciled in Asia (with the exclusion of Japan) or with significant Asian (excluding Japan) operations. The Portfolio may further invest in other securities (including fixed income securities, other equities, convertible debt securities, real estate investment trusts and Money Market Instruments).

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek income and capital appreciation;
- seek investment exposure to the Asia Pacific (excluding Japan) equity market. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single region;
- have a long-term investment horizon.

**Greater China Equities**

The Greater China Equities Portfolio seeks to achieve capital appreciation by investing principally in a diversified portfolio of equity securities of corporate issuers headquartered or exercising a predominant part of their activity in the People's Republic of China ("China"), Hong Kong or Taiwan.

Secondarily, the Portfolio may invest in securities convertible into equity securities and/or warrants.

While China is a very large country, it is still an Emerging Market Country. Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

**Typical Investor's Profile**

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek portfolio exposure to the China, Hong Kong and Taiwan equity markets. The investor should be aware that geographic concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single region;
- have a long-term investment horizon.

**Global Energy Equities**

The Global Energy Equities Portfolio seeks to achieve capital appreciation by investing principally in a globally diversified portfolio of equity securities of corporate issuers exercising a predominant part of their activity in the development, research, production or distribution of energy related



products and services. Investments will generally be made in major world markets, except that the Portfolio may invest up to 15% of its net assets at the time of purchase in securities of companies in Emerging Market Countries. As a sector portfolio, this Portfolio will provide less diversification, and may lead to higher volatility, than other broadly invested portfolios.

Secondarily, the Portfolio may invest in securities convertible into equity securities and/or warrants.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment diversification through exposure to the energy sector. The investor should be aware that sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single sector;
- have a long-term investment horizon.

#### Global Technology

The Global Technology Portfolio seeks to achieve long term capital appreciation by making global investments principally in Transferable Securities of companies with business operations in technology and technology-related industries. Technology-related companies are those companies that use technology extensively to improve their business processes and applications.

The Portfolio may invest in Transferable Securities of issuers of any size and domiciled in any country. The Portfolio will normally invest its assets in any equity securities, including common stock, securities convertible or exchangeable into common stock, rights and warrants to purchase common stock and depositary receipts representing an ownership interest in these equity securities. The Portfolio may invest up to 25% of its assets in preferred stock and Investment Grade debt securities.

#### Typical Investor Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek portfolio diversification through exposure to the technology sector. The investor should be aware that sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

#### Mondrian Investment Partners – Emerging Markets Equity

The Mondrian Investment Partners – Emerging Markets Equity Portfolio will invest in equity securities of corporate issuers. This Portfolio will be managed against the MSCI Emerging Markets Index. In selecting the securities, the Sub-Advisor will take into consideration overall market exposure to any given country which will typically be limited to one-third of the net assets of the Portfolio. The Portfolio will invest principally

in corporate issuers that will be headquartered in Emerging Market Countries. The Portfolio will typically hold around 60-85 corporate issuers.

A disciplined dividend discount model will be utilised, consistently across all markets and securities.

Emerging market investments are more volatile and present higher risk than investments in more established markets. Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation through a global emerging market equity portfolio;
- seek portfolio diversification through exposure to developing geographic regions across the world;
- have a high level of risk tolerance commensurate with an investment in developing countries;
- can tolerate potentially frequent periods of high volatility and risk;
- have a long-term investment horizon.

#### UK Equities

The UK Equities Portfolio seeks to achieve capital appreciation by investing principally in the equity securities of companies domiciled in the United Kingdom or which have significant United Kingdom operations. The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market Instruments).

The Net Asset Value of the Portfolio shall be expressed in GBP and investment decisions will be made from a GBP perspective.

#### Typical Investor Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment exposure to the equity market of the United Kingdom. The investor should be aware that geographic concentration may add more volatility than a more geographically diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

#### UK Equity Income

The objective of the UK Equity Income Portfolio is to achieve an income at least in line with the equity market of the United Kingdom combined with sound prospects for capital growth.

The Portfolio will principally invest in the equity securities of companies domiciled in the United Kingdom or exercising a predominant part of their activity in the United Kingdom.

The Portfolio may further invest in other securities (including fixed income securities, other equities and Money Market instruments) and hold cash.

The Net Asset Value of the Portfolio shall be expressed in GBP and investment decisions will be made from a GBP perspective.

#### Typical Investor Profile

This Portfolio is suitable for investors who:

- primarily seek income as well as capital appreciation;
- seek investment exposure to the equity market of the United Kingdom.  
The investor should be aware that geographic concentration may add more volatility than a more geographically diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long term investment time horizon.

#### STANLIB Africa Equity

The STANLIB Africa Equity Portfolio seeks to achieve medium to long-term capital growth. The generation of income is secondary to the primary objective of maximising capital growth.

The Portfolio will invest principally in equity securities of companies that are listed or traded on Other Regulated Markets in Africa (excluding South Africa) or of companies that are listed or traded on Regulated Markets that carry out a substantial portion of their business (meaning not less than 51%) in Africa (e.g. mining exploration companies listed on the Alternative Investment Market in the UK, the Toronto Stock Exchange or the Johannesburg Stock Exchange).

Currently, the stock exchanges in the countries set out below are considered to constitute eligible Other Regulated Markets in Africa (excluding South Africa): Namibia, Zambia, Ghana, Mauritius, Botswana, Nigeria, Zimbabwe, Kenya, Morocco and Egypt.

The Sub-Advisor considers that the stock exchanges in the countries set out below meet the regulatory criteria for an Other Regulated Market. To the extent that the Sub-Advisor confirms that such stock exchanges meet the regulatory criteria and provided that the Depositary can provide custody of assets in these countries, it is the intention of the Sub-Advisor to avail of investment opportunities in these countries and Shareholders will be notified in the next following periodic report of the SICAV. The relevant countries are Ivory Coast, Tunisia, Malawi, Uganda, and Tanzania.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek investment exposure to the Africa (excluding South Africa) equity market. The investor should be aware that geographic stock and sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate frequent periods of high volatility and risk, and accept that the liquidity of investments may be less than that of more developed markets;
- have a high level of risk tolerance commensurate with an investment in equity securities of a single emerging market region;
- have a long-term investment horizon.

#### STANLIB Global Emerging Markets Property Securities

The STANLIB Global Emerging Markets Property Securities Portfolio seeks to provide a reasonable level of income, as well as the potential for capital growth.

The Portfolio will invest principally, on a global basis, in the equity securities of real estate companies or REITs that are either listed or traded on Other Regulated Markets in Emerging Market Countries or of companies that are listed or traded on Regulated Markets that carry out a substantial portion of their business (meaning not less than 51%) in Emerging Market Countries.

The investment strategy employed by the Sub-Advisor is to seek to invest in global listed property securities that offer good cashflow growth, consistent income characteristics and which offer investments in high quality, investment grade properties.

The Sub-Advisor applies bottom-up, fundamental analysis to select property securities.

The Portfolio will, at all times, maintain an overall exposure to Emerging Market Countries property assets of greater than 75%.

No more than 30% (at the time of investment) of the Net Asset Value of the Portfolio will be invested in companies with a market capitalisation of less than US\$50 million.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation through a global emerging market real estate focused equity fund;
- seek investment diversification through exposure to Emerging Market Countries equities;
- have a high level of risk tolerance commensurate with an investment in Emerging Market Countries and in REITs or real estate companies;
- can tolerate frequent periods of high volatility and risk, and accept that the liquidity of investments may be less than that of more developed markets;
- have a long-term investment horizon.

#### The Absolute Return Portfolios:

**Risk factors for Absolute Return Portfolios (to be read in conjunction with the "Risk Factors" section of this Prospectus):**

##### Absolute Return

Portfolios seeking an Absolute Return will use investment techniques that are capable of making profits in markets where security prices are increasing or decreasing. As such, they have a potential to deliver a positive return independent of the market direction. However, it is important to note this does not mean these Portfolios will produce a positive return at all times, and indeed may be subject to periods of negative return. These investment techniques will also introduce additional risks when compared to more traditional directional Portfolios.



### Use of derivatives and forward transactions

The Portfolios use derivatives and forward transactions for both efficient portfolio management and investment purposes including short selling and leverage. The use of derivatives and forward transactions may significantly increase or decrease the risk profile of the Portfolio.

### Short Sales and Leverage

The Portfolio's exposure involves short sales of securities and leverage via financial derivative instruments which increases the risk of the Portfolio. The investment strategy includes the synthetic short sales of securities, which creates an exposure equivalent to selling securities not physically owned by the Portfolios at the time. The Portfolios will profit if the value of these securities fall, however, if the value of these securities increase, it will have a negative impact on the Portfolios. The use of derivatives may also create leverage in the Portfolios. Leverage has the effect of increasing the magnitude of any profits compared to if there were no leverage. However, it will also increase the level of any loss.

For the avoidance of doubt, the Absolute Return Portfolios do not offer any form of guarantee with respect to performance, and no form of capital protection will apply.

**For further information on risks associated to the use of derivatives, please note section "Use of Derivatives and other Investment Techniques" in the "Risk Factors" section.**

### American Absolute Alpha

The American Absolute Alpha Portfolio seeks to achieve an absolute return. The Portfolio will principally invest in equity securities and equity related derivative contracts of corporate issuers headquartered in North America or exercising a predominant part of their activity in North America, and when determined appropriate, cash and Money Market Instruments. Secondly, the Portfolio may invest in securities and derivatives related to corporate issuers headquartered outside North America.

The Portfolio will take long positions in publicly traded equity securities. Short positions (and possibly long positions) will be taken by the use of financial derivative instruments to include, but not limited to, equity swaps, total/excess return swaps, and futures and options related to individual equity securities, related to exchange traded funds and/or related to equity indices in accordance with section A(7)(b) in Appendix A "Investment Restrictions". Hedging may also be achieved through the purchase of exchange traded funds.

The Portfolio will use financial derivative instruments and forward transactions for both efficient portfolio management and investment purposes. The use of derivatives may increase or decrease the risk profile of the Portfolio.

### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek returns driven principally by long and short investment decisions;
- have a high risk tolerance;
- have a long term investment time horizon.

### Diversified Alternative Risk Premia

The Threadneedle (Lux) – Diversified Alternative Risk Premia Portfolio seeks to achieve an absolute return.

The Portfolio will seek to achieve its investment objective through exposure to a range of risk premia, across multiple asset classes. Risk premia exist due to systematic risks and behavioural patterns in financial markets, and may be exploited to provide returns that have a low level of correlation to traditional markets. Examples of risk premia that the Portfolio may seek exposure to are:

- **Value:** exposure of this risk premium is favourable where investments with lower valuations outperform those with relatively higher valuations. This factor may be present in equity, fixed income and currency markets;
- **Momentum:** momentum exposure is favourable where investments that have performed well in recent history continue to perform well in the near future. This factor may be present in equity, fixed income, currency and commodity markets;
- **Carry:** carry exposure favours investments with higher yields, in the belief that these will outperform lower yielding assets. This factor may be present in fixed income, currency and commodity markets;
- **Volatility:** the volatility factor seeks to exploit the difference between implied volatility and realised volatility over a certain time period. This factor may be present in equity, fixed income, currency and commodity markets.

The Portfolio will seek to exploit risk premia, including but not limited to those set out above, across a globally diversified range of assets, such as equities, government and corporate fixed income securities, commodities and currencies. The Portfolio will follow a flexible approach in relation to asset exposure to achieve the investment objective, which at times may result in the Portfolio having no exposure to particular asset classes.

The Portfolio will gain its exposure principally through diversified alternative beta indices that represent and capture the payoffs associated with risk premia, and will usually be accessed through financial derivative instruments (mainly through total return swaps). The Portfolio's use of financial derivatives instruments may result in significant leverage, as further described below.

Indices may capture risk premia individually or multiple premia across different asset classes. For instance, in order to take exposure to an equity value risk premium, the Portfolio will seek to access an equity index, the underlying constituents of which show value characteristics as described above. As a result of such an investment, the Portfolio will in effect take a long exposure to stocks exhibiting favorable valuation metrics (cheap), and a short exposure to stocks exhibiting unfavorable valuation metrics (expensive), designing a market neutral position which extracts the desired equity value factor. The same or a similar approach applies for the momentum, carry and volatility factors, across all types of asset classes.

The indices to which the Portfolio will take exposure may have different rebalancing frequencies, with the most prevalent rebalancing frequency being monthly. The frequency of the rebalancing does not impact the costs linked to gaining exposure to the indices. The Portfolio will pay a fixed swap fee to access the indices to the index sponsor (which generally also acts

as counterparty to the total return swaps). Any index rebalancing costs are already priced into the applicable index return or covered by the fixed swap fee to the index sponsor.

In order to determine the index allocation, the Sub-Advisor evaluates publicly available information and conducts proprietary research to identify appropriate risk premia strategies, by determining their expected risk and return profile. This index allocation and the indices to which the Sub-Advisor takes exposure may change from time to time, depending on the Sub-Advisor's analysis.

Investors are invited to consult [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com) where the relevant monthly factsheets and further information on the Portfolio will be available. Investors will be able to access, amongst others, information regarding asset allocation, risk premia allocation, indices, top holdings and their weightings.

In addition, the Portfolio may also gain exposure directly to equities, fixed income securities and currencies on an ancillary basis, although it will not invest in physical commodities.

The Portfolio may also hold cash and Money Market Instruments, notably with the purpose to meet its obligations under the financial derivative instruments and more particularly the total return swaps.

The Sub-Advisor uses financial derivative instruments for investment and hedging purposes. The instruments to be used to that effect will typically include, without being limited to, total return swaps, interest rate swaps, credit default swaps, forward foreign exchange, equity futures, bond futures, index futures and options on financial derivative instruments. Investors should note that the use of financial derivative instruments for investment purposes may increase the risk profile of the Portfolio and the level of leverage exhibited, which may in turn lead to increased movements in the Portfolio's net asset value when compared to less leveraged Portfolios. The combined use of financial derivative instruments for investment and hedging purposes, will result in the Portfolio's expected "gross" level of leverage, determined on a sum of notional basis<sup>6</sup>, ranging between 0% and 4,000%.

The level of leverage could be higher under certain circumstances, including but not limited to circumstances where there are changes in market conditions (e.g. low market volatility) and the investment allocation (e.g. where the Sub-Advisor takes steps to rebalance the portfolio or takes exposure to additional sources of return, evolving implementation of existing risk premia).

The Portfolio may be leveraged as follows: through (i) leverage within the Portfolio itself (i.e. leverage arising from financial derivatives used to gain exposure to the indices); or (ii) at the level of the index as part of its own rules based trading system. The overall leverage of the Portfolio is the aggregate leverage from these factors.

It should be noted that the level of leverage will typically be at the upper end of the range when the Portfolio has increased exposure to short term interest rate derivatives (i.e. financial derivative instruments which typically require, due to their nature, relatively large notional positions to achieve the desired level of market risk).

Investors should also note that the Portfolio's leverage range determined on a sum of notional basis does not take into account the netting operated between certain financial derivative instruments used for investment purposes and other financial derivative instruments used for hedging purposes. It is expected that the "net" level of leverage of the Portfolio, determined on the commitment approach<sup>7</sup>, shall range between 0% and 3,800%.

Investors should note that part of the leverage may be attributed to positions that aim to reduce the risk of Portfolio through hedging, including transactions relating to Hedged Share Classes of the Portfolio.

### Typical Investor Profile

This Portfolio is suitable for investors who:

- seek potential return in excess of cash;
- seek global investment diversification through exposure to risk premia across multiple assets;
- have a medium to high risk tolerance;
- have a medium to long term investment time horizon.

Investors should note that although the Portfolio aims to provide a return with a low correlation to traditional asset classes, and with low volatility relative to equities, it can be exposed to low probability but severe downside events. As a result, due to the leverage embedded in the indices via which the Portfolio gains exposure to risk premia, and the long and short positions involved in their construction, the Portfolio could potentially be exposed to significant losses. The Portfolio seeks to mitigate the impact of such events through diversification along with dynamic leverage control, which attempts to deleverage the portfolio in high-risk environments. However, it cannot be guaranteed that these mitigation techniques will be successful.

Investors should refer to the "Risk factors" section of this Prospectus in terms of risks applicable to investing in the Diversified Alternative Risk Premia Portfolio and in particular "Use of Derivatives and other investment Techniques", "Counterparty Risk", "Financial derivatives on indices or sub-indices", "Total/Excess Return Swaps" and "Commodity Indices". Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

### Global Opportunities Bond

The Global Opportunities Bond Portfolio seeks to achieve an absolute return. The Portfolio will principally invest either directly, or indirectly through derivatives, in both government and non-government fixed income and floating rate securities. These include, but are not limited to: developed and emerging market government bonds; Investment Grade, non-Investment Grade and unrated corporate bonds; asset backed Transferable Securities (not exceeding 20% of the Portfolio's Net Asset Value); and when determined appropriate cash and Money Market instruments. At times the Portfolio may be concentrated in any one or a combination of these types of assets. The Portfolio may take long positions, and short positions through derivatives, in such assets.

In order to implement the Portfolio's investment policy, the Sub-Advisor may use financial derivative instruments for investment purposes. The instruments to be used to that effect will typically include, without being limited to, interest rate swaps, credit default swaps, forward foreign

<sup>6</sup> See footnote 12.

<sup>7</sup> See footnote 13.

exchange, bond futures and options. For example, the Sub-Advisor may use interest rate swaps (where the underlying is the reference swap rate for a particular currency, e.g. US dollar, Euro or Sterling) or bond futures (where the underlying is a fixed income security, e.g. US Treasuries or Euro-Bund) enter into curve trades, a relative value strategy allowing the Portfolio to benefit from anticipated flattening or steepening of the yield curve. Similarly, forward foreign exchange contracts (where the underlying are developed or emerging market currencies) may be used for investment purposes to benefit from expected movements in exchange rates between certain currencies. Credit default swaps on sovereign or corporate fixed income securities may be used to sell credit protection, in order to take synthetic exposure to the credit markets, or to buy protection in order to take advantage of anticipated increases in credit spreads. Options on the above instruments may be used for investment purposes, for example to enter put or call spread trades on short term interest rate futures. Investors should note that the use of financial derivative instruments for investment purposes may increase the risk profile of the Portfolio and the level of leverage exhibited, which may in turn lead to increased movements in the Portfolio's net asset value when compared to less leveraged Portfolios.

In addition, it is to be noted that the Sub-Advisor may also use financial derivative instruments for hedging purposes. These will typically include, without being limited to, interest rate swaps, credit default swaps, bond futures and forward foreign exchange contracts. Credit default swaps allow the Sub-Advisor to buy protection against the default risk of individual sovereign or corporate fixed income securities, or baskets of such securities, to reduce the credit risk of the portfolio. Forward foreign exchange contracts on developed and emerging market currencies may be used to reduce the currency risk attributed to securities denominated in currencies other than the base currency of the Portfolio. Interest rate swaps and bond futures may also be used for hedging purposes, if the Sub-Advisor wishes to reduce interest risk associated with the government and non-government fixed income securities in the Portfolio.

The combined use of financial derivative instruments as described above, for both investment and hedging purposes, will result in the Portfolio's expected "gross" level of leverage, determined on a sum of notionals basis<sup>8</sup>, ranging between 0-1,300%. Investors should note that part of the leverage may be attributed to positions designed to reduce risk within the Portfolio through hedging, including transactions relating to the hedged Classes of the Portfolio. It should be noted that the expected level of leverage will typically be at the upper end of the indicated range only when the Portfolio will have increased exposure to short term interest rate derivatives; financial derivative instruments which typically require, due to their nature, relatively large notional positions to achieve the desired level of market risk. It is possible in market conditions where the Sub-Advisor feels it appropriate to take a larger than normal exposure to such short term interest rate futures, that the level of leverage of the Portfolio on a sum of notionals basis is temporarily higher than the expected upper level. In such case, the Sub-Advisor should take, in due course, any relevant measures to reduce the level of leverage by reducing such exposure. Investors should also note that the Portfolio's leverage range determined on the basis of the sum of notionals approach does not take into account the netting operated between certain financial derivative instruments used for investment purposes and other financial derivative instruments used

for hedging purposes. It shall be thus noted that, the expected "net" level of leverage of the Portfolio, determined on the commitment approach<sup>9</sup>, shall only range between 0 and 400%; such range is, in the Sub-Advisor's opinion, a better reflection of the Portfolio's risks associated to leverage. For example, forward foreign exchange contracts used for hedging purposes, or a credit default swap on an underlying held by the Portfolio, may be netted off for the purposes of calculating the level of leverage on a commitment basis. It shall be noted that the upper limit may typically be reached or temporarily exceeded under the same conditions as those described above for the sum of notionals approach; similarly, the Sub-Advisor should take, in due course, any relevant measures to reduce the level of leverage.

#### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek potential return in excess of cash;
- seek returns from both income and capital appreciation;
- have a moderate to high risk tolerance;
- have a medium to long term investment time horizon.

#### Pan European Absolute Alpha

The Pan European Absolute Alpha Portfolio seeks to achieve an absolute return. The Portfolio will principally invest, either directly, or indirectly through financial derivative instruments, in a portfolio of equity securities of companies domiciled in Europe or exercising a predominant part of their activity in Europe.

The Portfolio may invest up to one third of its assets, either directly, or indirectly through financial derivative instruments, in equity securities of companies domiciled outside Europe. The Portfolio may also hold cash and Money Market Instruments.

The Portfolio pursues a long-short equity strategy. The Portfolio will therefore take long exposures, either directly or indirectly through financial derivative instruments and short exposures, solely through the use of financial derivative instruments, to publicly traded equity securities, exchange-traded funds or equity indices.

The financial derivative instruments that may be used by the Portfolio include mainly total return swaps and futures, the underlying of which may be publicly traded equity securities, exchange-traded funds or equity indices, in accordance with section A(7)(i) in Appendix A "Investment Restrictions.

Investors should note that financial derivative instruments will be used for both efficient portfolio management and investment purposes, which may increase or decrease the risk profile of the Portfolios.

#### Typical Investor Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek returns driven principally by long and short investment decisions;
- have a high risk tolerance;
- have a long term investment time horizon.

<sup>8</sup> See footnote 12.

<sup>9</sup> See footnote 13.

## The Specialist Portfolio:

### Enhanced Commodities

The Enhanced Commodities Portfolio seeks to achieve capital appreciation which is directly and indirectly linked to commodity markets.

The Portfolio will invest in financial derivative instruments (including total return swaps) whose underlying instruments are diversified commodity indices composed of futures contracts on physical commodities.

To create under and overweight positions relative to the reference portfolio in individual commodities and commodity sectors, it is intended to use a combination of long and short positions in diversified commodity indices. The long and short positions will largely offset one another and provide the Sub-Advisor the ability to adjust weights and position on the curve consistent with the Portfolio's investment strategy. The long and short positions will result in creating leverage on a sum of notionals basis<sup>10</sup>, but on a net basis the Portfolio will continue to be fully invested in commodities and will not be leveraged to the market. Additionally, the Portfolio will not have any net short commodity positions. The expected level of leverage determined on the sum of notionals basis would likely average 0-400%. A degree of leverage on a sum of notionals basis can be attributed to transactions related to the hedged Classes of the Portfolio. The Portfolio will report global exposure on a relative VaR basis. The relative VaR limit will be 30% more than the VaR of the reference benchmark of the Portfolio.

The Portfolio will invest collateral in investment grade government debt with maturities less than one year.

The Portfolio may also invest in exchange traded funds and securitised notes, certificates, Investment Grade government securities, Money Market Instruments, cash, and/or other debt securities.

The Portfolio will use financial derivative instruments for investment purposes, hedging and efficient portfolio management.

### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek portfolio diversification within their investment through exposure to commodities;
- have a high risk tolerance;
- can tolerate potentially high volatility in value of their investment;
- have a long term investment time horizon.

Investors should note the "Risk factors" section of this Prospectus in terms of risks applicable to investing in the Enhanced Commodities Portfolio and in particular "Use of Derivatives and other investment Techniques", "Counterparty Risk", "Financial derivatives on indices or sub-indices", "Total/Excess Return Swaps", "Commodity Indexes" and "Exchange traded notes". Investors should consider this extra risk when evaluating the potential benefits of investing in this Portfolio.

The Portfolio uses derivatives to gain exposure to commodity indices or sub-indices composed of futures contracts on physical commodities. The use of such derivatives for investment purposes may increase the risk profile of the Portfolio.

## The Shariah Portfolio:

### Gatehouse Shariah Global Equity<sup>11</sup>

The Gatehouse Shariah Global Equity Portfolio seeks to achieve capital appreciation by investing in Shariah-compliant securities in accordance with the Shariah Guidelines as determined by the Shariah Supervisory Board (as further described in Appendix B.II).

The Portfolio will principally invest in equities and equity related securities of companies globally. The Portfolio may also invest in other securities (including money market instruments and, on a limited basis, fixed income securities) as well as hold cash. All investments will be Shariah-compliant.

The Portfolio has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

Investors should note that the investment restrictions of the SICAV as detailed in Appendix B.II remain applicable. Investors are invited to refer to Appendix B.II for more information on the Shariah Guidelines which are applicable to the Portfolio.

### Typical Investor's Profile

This Portfolio is suitable for investors who:

- seek capital appreciation;
- seek investment diversification through exposure to Shariah-compliant global equities; the investor should be aware that stock or sector concentration may add more volatility than a more broadly diversified portfolio;
- can tolerate potentially high volatility in the value of their investment;
- have a high level of risk tolerance commensurate with an investment in equity securities;
- have a long-term investment horizon.

## Other Investment Practices

The Global Asset Allocation Portfolio, the Equity Portfolios and certain Bond Portfolios may invest in warrants to purchase common stock. Investment in warrants entails special risks, notably those described under "Investment in warrants" in the "Risk Factors" section below.

Each Portfolio may hold ancillary liquid assets as appropriate to provide for redemptions or to meet other liquidity needs. These assets may consist of commercial paper and other Money Market Instruments with a remaining maturity not in excess of 12 months and of time deposits, and demand deposit accounts. In addition, each such Portfolio may invest up to 10% of its net assets in Money Market Instruments that are regularly traded and have a remaining maturity in excess of 12 months.

<sup>11</sup> This Portfolio is not available for subscription at the date of this Prospectus. It may be launched at the Directors' discretion, at which time confirmation of the launch will be made available at the registered office of the SICAV.

<sup>10</sup> See footnote 12.

Unless otherwise specified within the Portfolio's investment objective and policy, each Portfolio may invest up to 10% of its net assets in units of other UCIs or UCITS. See Section C(a)(12) of Appendix A below. Investors are thus subject to the risk of duplication of fees and commissions except that if a Portfolio invests in other UCIs or UCITS sponsored by Ameriprise Financial, Inc. or one of its affiliates or by a company with which Ameriprise Financial, Inc. is bound within the framework of a community of management or of control or by a direct or indirect shareholding of more than 10% of the share capital or of the votes, the Portfolio will not be charged any subscription and redemption fees with respect to such investment and any of the Asset Management Fee with respect to such assets. The maximum management fees of other UCIs or UCITS in which a Portfolio may invest shall not exceed 2.5% of such Portfolio's assets.

When market or financial conditions warrant, and in accordance with the Investment Restrictions in Appendix A, each Portfolio may invest, as a temporary defensive measure, up to 100% of its net assets in transferable debt obligations issued or guaranteed in accordance with Investment Restriction C(a)(6) by a member state of the OECD or issued by public international bodies of which one or more Member States are members. In addition, for temporary purposes, each Portfolio may borrow from banks or other lending institutions in amounts up to 10% of its net assets. Such borrowing may be used for liquidity purposes (e.g., to cover cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of such Portfolio may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by Article 181 of the 2010 Law.

To determine the rating of an instrument with a split rating, the lower rating shall prevail.

The Portfolios that invest in US Bonds may purchase restricted securities that are offered and sold only to "qualified institutional buyers" under Rule 144A of the US Securities Act of 1933.

Each Portfolio's ability to purchase or sell portfolio securities may be affected by laws or regulations relating to the convertibility and repatriation of assets. Because the Shares of each Portfolio may be redeemed on each Valuation Date in the currency which has been elected at the time of subscription, the Management Company and the relevant Sub-Advisor intend to manage each Portfolio so that they will be able to obtain the liquidity necessary to meet anticipated redemptions. There can be no guarantee that this result will be achieved.

Except as otherwise noted below, each Portfolio may use financial derivative instruments (including options, forwards, futures, contracts for difference and/or swaps (including credit default swaps, credit default swaps on loans, interest rate swaps and total/excess return swaps) on Transferable Securities and/or any financial instruments and currencies) to hedge against market and currency risks, as well as for efficient portfolio management, as described under "Investment Restrictions" in Appendix A and "Investment Techniques and Instruments" in Appendix B. Certain Portfolios may further use financial derivative instruments as a principal

investment objective, as more fully described in the investment policy of each relevant Portfolio, when appropriate. In such case, the underlying of the financial derivative instruments must consist in instruments in which the Portfolio may invest according to its investment policy. Shareholders should be aware that the use of derivative instruments for purposes other than hedging carries a certain degree of risk.

If a Portfolio invests in OTC derivatives, such Portfolio may hold material quantities of cash, time deposit and/or Money Market Instruments with a remaining maturity not in excess of 12 months. These additional cash levels will not be held in direct pursuit of achieving the investment objectives of the relevant Portfolio, but may be required as a consequence of the use of the OTC derivatives for risk management purposes, notably in order to cover for exposure to such derivatives or mitigate the risk of the leverage entailed by the use of the derivatives.

In the context of OTC financial transactions and efficient portfolio management techniques, Portfolios may receive or post collateral. The Portfolios collateralise 100% of exposure to OTC derivatives. Minimum transfer amounts range from 100,000 to 250,000 of the Base Currency of the relevant Portfolio, varying by counterparty. No threshold amount is utilised by the Portfolios. Collateral shall:

- comply with the ESMA Guidelines and, amongst others, fulfil the criteria set out therein in terms of (a) liquidity, (b) valuation, (c) issuer credit quality, (d) correlation, (e) diversification, (f) risk, (g) holding, (h) enforcement, (i) non-cash-collateral, (j) cash-collateral; and
- be managed in compliance with the following policy:
  - eligible collateral is cash, typically GBP, USD or Euros, or Investment Grade fixed income Transferable Securities issued by Government entities. The Portfolios will not post or receive non-Government issues or equity securities as collateral;
  - haircuts are applied as determined by the agreement with the counterparty to the transaction and typically have the levels described in the table below:

| Eligible Collateral  |                       | Haircut Level |
|--|-----------------------|---------------|
| Investment Grade fixed income Transferable Securities issued by Government entities* |                       |               |
| Issue rating   | Residual Maturity     |               |
| n/a<br>or<br>at least AA- (S&P) / Aa3<br>(Moody's)**                                 | < 1 year              | 0-2%**        |
|  | > 1 year < 5 years    | 2-3%**        |
|  | > 5 years < 10 years  | 3-5%**        |
|  | > 10 years < 30 years | 5-6%**        |
| Cash in the Base Currency of the Portfolio   |                       | 0%            |
| Cash in currency other than the Base Currency of the Portfolio                       |                       | 0%            |

\* In practice, these are only U.S. Treasury Securities, which are negotiable, registered debt obligations issued by the U.S. Treasury Department but excluding principal only and interest only Treasury strips.

\*\* Depending on the counterparty.

- the Portfolios will not reinvest collateral received and counterparties are not permitted to reinvest collateral posted by the Portfolios.



Portfolios allowed to invest in financial indices shall ensure that their target indices comply with applicable laws and regulations. In this respect and amongst others, a Portfolio should not invest in a financial index, the components of which are ineligible assets under UCITS rules, where:

- it has a single component that has an impact on the overall index return which exceeds the relevant diversification requirements i.e. 20%/35%; a Portfolio intending to invest in commodity indices will not invest in commodity indices that do not consist of different commodities;
- it does not satisfy the index criteria in Article 53 of the UCITS Directive and Article 9 of Directive 2007/16/EC of the European Commission implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to UCITS as regards the clarification of certain definitions, including that of being a benchmark for the market to which it refers;
- the full calculation methodology to, inter alia, enable Shareholders to replicate the financial index is not disclosed by the index provider;
- it does not publish its constituents together with its respective weightings;
- the methodology for the selection and the rebalancing of the components is not based on a set of pre-determined rules and objective criteria;
- the index provider accepts payments from potential index components for inclusion in the index;
- the methodology permits retrospective changes to previously published index values ('backfilling');
- the index is not subject to independent valuation.

## Risk Factors

### General

Investment in any Portfolio entails a degree of risk. While there are some risks that may be common to a number or all of the Portfolios, there may also be specific risk considerations which apply to particular Portfolios in which case such risks will be specified in the investment policy section for that Portfolio. It is important to keep in mind one of the main principles of investing: the higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: the lower the risk, the lower the potential reward. Investment in the Shares may not be suitable for all investors and should not be considered a complete investment program.

The Net Asset Value of Shares can go down as well as up, and Shareholders may lose money by investing in a Portfolio. Shareholders should generally view an investment in a Portfolio as being a medium to long-term investment. The value of an investment in a Portfolio changes with the values of that Portfolio's investments. Many factors can affect those values. Each separate security in which a Portfolio may invest and the investment techniques which a Portfolio may employ are subject to various risks. The following describes some of the general risk factors that should be considered before investing in a particular Portfolio. The following list is neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice.

Geopolitical events, such as the UK's decision to leave the EU, can lead to greater volatility in local and or global markets.

**Investors in the Shariah Portfolio should note that additional risks may be applicable to the Portfolio and that these risks are set out in Appendix B.II of this Prospectus.**

### Exchange Rates

Many of the Portfolios are invested in securities denominated in a number of different currencies other than the Base Currency in which the Portfolios are denominated (or the currency of denomination of the particular Share Class) and, therefore, changes in foreign currency exchange rates will affect the value of securities in such Portfolios.

### Interest Rates

The values of fixed income securities held by the Portfolios generally will vary inversely with changes in interest rates and such variation may affect Share prices accordingly.

### High Yield

Certain Portfolios may invest in High Yield. Investing in High Yield involves special risks in addition to the risks associated with investments in higher-rated fixed income securities. While offering a greater potential opportunity for capital appreciation and higher yields, High Yield typically entail greater potential price volatility and may be less liquid than higher rated securities. High Yield may be regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. They may also be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated securities.

### Risk Factors Relating to Small and Mid-Cap Companies

Some of the Portfolios invest in the securities of small and middle capitalised companies. There are certain risks associated with investing in securities of these types of companies, including greater market price volatility, less publicly available information, and greater vulnerability to fluctuations in the economic cycle. Because small and middle capitalised companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without affecting prevailing market prices.

### Hedged Share Classes

Each Portfolio is denominated in a single Base Currency, which may be different from the currency in which a Shareholder's Shares are denominated.

The Shares available in a Portfolio may themselves be denominated either in the Base Currency or in another currency. Shares denominated in a currency other than the Base Currency may be either Hedged Shares or non-Hedged Shares:

- Hedged Shares are Shares which use currency derivatives (Please see the Risk warning on the Use of Derivatives and other Investment Techniques) in order to reduce (hedge) the risk incurred by the variation of the exchange rate between the Base Currency and the currency of denomination of the Hedged Shares;
- non-Hedged Shares, are Shares which do not provide any hedging against risk incurred by the variation of the exchange rate between

the Base Currency and the currency of denomination of the Hedged Shares. Investors in such Shares will receive the return of the underlying investments in the Portfolio, bearing the risk associated with the currency movements between the Base Currency and the currency of denomination of the Shares they are invested in.

Investors should note that the Investment in a Portfolio through Hedged Shares incurs the following specific risks:

- there can be no guarantee that the hedging strategy applied in Hedged Shares will entirely eliminate the adverse effects of changes in exchange rates between the Base Currency and the currency of the relevant Hedged Shares.
- hedging transactions will be entered into whether or not the denomination currency of Hedged Shares is declining or increasing in value relative to the Base Currency. Consequently, while hedging may protect investors in the relevant Hedged Shares against a decrease in the value of the currency being hedged, it may also preclude these investors from benefiting from an increase in the value of such currency.
- Hedged Shares aim to reduce (hedge) only the exchange rate risk between the Base Currency and the currency of denomination of the Hedged Shares; no hedging is done between the currency of denomination of the Hedged Shares and the currencies of denomination of the Portfolio's investments. This means that:
  - where a Portfolio's investments are wholly or partially denominated in currencies other than the Base Currency, Hedged Shares will not protect their investors against changes in the exchange rates between the currencies of the Portfolio's investments and the currency of denomination of the Hedged Shares;
  - where a Portfolio holds assets denominated in the currency of the Hedged Shares, the exposure of an investor in Hedged Shares to that currency will be increased by comparison to the risk incurred by an investor holding shares denominated in another currency.

### CNH Share Classes

The official currency of the People's Republic of China, the renminbi, is traded on two markets, the first being onshore renminbi in mainland China ("CNY"), and the second being offshore renminbi outside mainland China ("CNH"). Shares whose second letter of denomination is 'R', are Shares whose Net Asset Value is denominated in CNH, i.e. offshore Chinese renminbi. CNY is not a freely convertible currency and is subject to exchange controls imposed by the government of the People's Republic of China. CNH may be traded more freely than CNY against other international currencies, and the exchange rate between CNH and such currencies is therefore determined by market forces. Shareholders should be aware that CNY and CNH will therefore have different exchange rates versus other currencies, and the value of CNH could potentially differ significantly from that of CNY due to a number of factors, including, but not limited to, exchange controls applied to CNY and market forces in place at any given time.

Shareholders should be aware that the availability of CNH Share Classes, and the conditions under which they may be available, are dependent on the political and regulatory policies of the People's Republic of China, and there can be no guarantee that CNH Share Classes will be offered in the future, and no guarantee as to the conditions under which they

may be offered. Since the base currency of Portfolios offering CNH Share Classes will be a currency other than CNH, the ability of a Portfolio to make payments in CNH will depend on its ability to convert its base currency into CNH, which may be restricted by the availability of CNH of other factors beyond the control of the Management Company, and as a result it may be necessary to make redemption payments in currencies other than CNH.

### Emerging Markets

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision making, including changes or attempted changes in governments through non-constitutional means; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious or racial conflict.

The risk of expropriation, confiscatory taxation, nationalisation and social, political and economic instability are greater in emerging markets than in developed markets. Certain of such countries may have in the past failed to recognise private property rights or nationalised or expropriated the assets of private companies. As a result, the risks of investing in those countries, including the risks of nationalisation, expropriation and repatriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Portfolio's investments in those countries and the availability to the Portfolios of additional investment in those countries.

In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors.

A number of attractive emerging markets restrict, to varying degrees, foreign investment in securities. Further, some attractive equity securities may not be available to one or more of the Portfolios because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets and may be subject to currency exchange control restrictions. Such restrictions may increase the risks of investing in certain of the emerging markets. Unless otherwise specified within the Portfolio's investment objective and policy, a Portfolio will only invest in markets where these restrictions are considered acceptable by the Directors.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities, including trading on material non-public information.

The securities markets of emerging countries have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of

industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Portfolio's acquisition or disposal of securities, and it may be difficult to assess the value of a Portfolio's investments.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed countries because brokers and counterparties in such countries may be less well capitalised, custody and registration of assets in some countries may be unreliable, and a Portfolio may be required to establish special custodial or other arrangements before making investments. Market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a counterparty through whom the relevant transaction is effected might result in a loss being suffered by the affected Portfolios. The SICAV will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the SICAV will be successful in eliminating this risk for the Portfolios, particularly as counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries. Delays in settlement could result in investment opportunities being missed if a Portfolio is unable to acquire or dispose of a security.

There may be less publicly available information about certain financial instruments than some investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which foreign investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of certain of the Portfolios.

Emerging Market Country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the SICAV may have limited legal recourse against the issuer and/or guarantor.

### **Emerging Markets – Custody Risk**

Safe custody of securities in emerging markets involves risk and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. In circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, a Portfolio may not be able to establish title to investments made and may suffer losses as a result. A Portfolio may find it impossible to enforce its rights against third parties.

Custody services are very often undeveloped and, although the SICAV will endeavour to put into place control mechanisms, including the selection of agents to register emerging markets securities on behalf of a Portfolio, there is a significant transaction and custody risk of dealing in securities of emerging markets.

As a Portfolio may invest in markets where custodial and/or settlement systems are not fully developed, assets which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary will have no liability.

### **Emerging Markets – Liquidity Risk**

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Sub-Advisor may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market. The small size and inexperience of such stock and foreign exchange markets and the limited volume of trading in these countries may make a Portfolio's investments illiquid and more volatile than investments in more established countries.

The Portfolios may invest in shares of companies listed on exchanges which are less liquid and more volatile than the world's leading stock markets and this may result in greater fluctuations in the price of Shares of the Portfolios. There can be no assurance that there will be any market for securities acquired in an emerging market and such lack of liquidity may adversely affect the value or ease of disposal of such securities.

### **Use of Derivatives and other Investment Techniques**

The Portfolios may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for either efficient portfolio management *i.e.* to increase or decrease their exposure to changing security prices, interest rates, currency exchange rates, commodity prices or other factors that affect security values and hedging purposes, and/or to attempt to reduce certain risks of its investments and to attempt to enhance return. These techniques may include but are not limited to the use of options, forward currency exchange contracts, futures contracts, contracts for difference and swaps (including credit default swaps, credit default swaps on loans, interest rate swaps and total/excess return swaps) and other investment techniques described in Appendix B "Investment Techniques and Instruments".

Participation in the options or futures markets and in currency exchange or contracts for difference or swap transactions involves investment risks and transactions costs to which the Portfolios would not be subject in the absence of the use of these strategies. The use of derivatives and other techniques carries high risk and leverage risk in particular. Leverage has the effect of increasing the magnitude of any profits compared to if there were no leverage; however, it also increases the level of any loss. This is the risk arising from the use of relatively small financial resources to obtain a large number of market positions. In a falling market, leverage can increase the losses on the derivative positions concerned. In a falling market, the sale of options and other currency derivatives or other assets may mean that their entire purchase price or premiums are lost.



The use of such techniques and instruments for the Portfolios is, however, subject to special limits (see Appendix A).

The SICAV may use these techniques to adjust the risk and return characteristics of a Portfolio's investments. If the Management Company or the relevant Sub-Advisor judges market conditions incorrectly or employs a strategy that does not correlate well with a Portfolio's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of a Portfolio and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised. Portfolios engaging in contracts for difference or swap transactions are also exposed to a potential counterparty risk. In the case of insolvency or default of the swap counterparty, the Portfolio involved could suffer a loss.

There can be no assurance that the Management Company or the relevant Sub-Advisor will be able to successfully hedge the Portfolios or that the Portfolios will achieve their investment objectives.

Derivative instruments, including but not limited to swaps, futures, and certain FX contracts, are subject to new regulations such as EMIR, MiFID II/MiFIR and similar regulatory regimes in the U.S., Asia, and other global jurisdictions. The implementation of such regulations, including new requirements requiring mandatory clearing and margining, may increase the overall costs to the SICAV of entering into and maintaining such derivative instruments and may impact the SICAV's returns or the ability of the Sub-Advisors to achieve their investment objectives. Global regulation of derivative instruments is a rapidly-changing area and, as such, the full effects of present or future legislation or regulations in this area are not known, but could be substantial and adverse.

Certain Portfolios of the SICAV may also invest in financial derivative instruments as a principal investment objective, as more fully described in the investment policy of the relevant Portfolios, which may entail additional risks for Shareholders. The SICAV may use either the Value at Risk ("VaR") approach (absolute or relative VaR approach, depending on the Portfolio) or, as the case may be, the commitment approach in order to calculate the global exposure of a Portfolio to financial derivative instruments (the "Global Exposure"), it being understood that the Global Exposure of a Portfolio may not exceed the total net asset value of such Portfolio.

The below table shows, for each Portfolio of the SICAV using the VaR approach to determine Global Exposure:

- the methodology used to determine the Portfolio's Global Exposure (absolute VaR approach / relative VaR approach);
- the expected level of leverage (disclosed, for the sake of clarity, on the basis of the sum of the notionals approach and on the basis of the commitment approach). The actual risks relating to a Portfolio and the use of financial derivative instruments by such Portfolio are not impacted by the leverage-calculation method used;
- for Portfolios using the relative VaR approach, details on the performance tracked by the relevant reference portfolio used.

| Name of Portfolio                          | Methodology Used to determine Global Exposure   | Leverage                       |                          |
|--|---|--------------------------------|--------------------------|
|  |   | Sum of Notionals <sup>12</sup> | Commitment <sup>13</sup> |
| <b>Global Strategic Bond</b>               | Relative VaR<br>(performance tracked by reference to a portfolio of global investment grade fixed rate debt markets, including government bonds, mortgage-backed bonds and corporate bonds) | 0-1,300%                       | 0-300%                   |
| <b>European Strategic Bond</b>             | Relative VaR<br>(performance tracked by reference to a portfolio of large capitalisation Euro denominated investment grade debt)  | 0-500%                         | 0-300%                   |
| <b>Enhanced Commodities</b>                | Relative VaR<br>(performance tracked by reference to a portfolio of physical commodities)   | 0-400%                         | 0-400%                   |
| <b>Flexible Asian Bond</b>                 | Relative VaR<br>(performance tracked by reference to a portfolio of Asian government and non-government fixed income and floating rate securities)  | 0-300%                         | 0-200%                   |
| <b>Global Corporate Bond</b>               | Relative VaR<br>(performance tracked by reference to a portfolio of investment grade and non-investment grade global corporate bonds)   | 0-500%                         | 0-300%                   |
| <b>Global Multi Asset Income</b>           | Absolute VaR  | 0-350%                         | 0-250%                   |
| <b>American Absolute Alpha</b>             | Absolute VaR  | 0-200%                         | 0-100%                   |
| <b>Global Opportunities Bond</b>           | Absolute VaR  | 0-1,300%                       | 0-400%                   |
| <b>Diversified Alternative Risk Premia</b> | Absolute VaR  | 0-4,000%                       | 0-3,800%                 |
| <b>Pan European Absolute Alpha</b>         | Absolute VaR  | 0-200%                         | 0-100%                   |

The table above shows the expected level of leverage. Shareholders are informed that the actual levels may be higher than the ranges shown in the above table. Where leverage is high, additional measures are used to monitor the Portfolio's risk profile.

### Credit Risk

Investors in a Portfolio should be aware that such an investment may involve credit risk. Bonds or other debt securities involve credit risk to the

<sup>12</sup> The Sum of the Notionals Approach is a method for calculating leverage which takes into account the absolute value of notionals of derivative instruments without taking into account the fact that some derivatives are actually reducing risk. If the Portfolio owns a long derivative and a short derivative with the same risk exposure, the Sum of the Notionals Approach will add up both notionals (whilst the Commitment Approach will show zero exposure as there is no incremental risk), resulting in a higher level of leverage than if the calculation had been made on the basis of the Commitment Approach. The Sum of the Notionals Approach is thus a leverage-calculation method which shows the "gross" notional amounts of a Portfolio to derivative instruments, taking into account the notionals to all derivatives, independently from the reasons of the exposure of the Portfolio thereto.

<sup>13</sup> The Commitment Approach is a method for calculating leverage which takes into account the exposure of the Portfolio to derivative instruments with the exclusion of derivative instruments which are used for reducing risk (i.e. derivative instruments used for hedging and netting purposes). It is thus a leverage-calculation method which shows the "net" global exposure of a Portfolio to derivative instruments, taking into account the actual exposure of the Portfolio to such Instruments.

issuer which may be evidenced by the issuer's credit rating. Credit ratings only constitute preliminary indicators of investment quality. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the Net Asset Value per Share.

Investors in any Portfolio investing in OTC derivatives should be aware that the assets covering the obligations of such Portfolio under such OTC derivatives, where applicable, will generally include bonds or other debt instruments that involve credit risk that may be retained by such Portfolio.

### Counterparty Risk

This risk relates to the quality of the counterparty with whom the Management Company or the relevant Sub-Advisor does business, in particular for the settlement/delivery of financial instruments, the conclusion of financial forward contracts or of total return swaps. In the event of the default of a counterparty, affected Portfolios may suffer losses to the extent that the counterparty is unable to meet its obligations to such Portfolios.

The risk reflects the counterparty's ability to honour its commitments (payment, delivery, repayment, etc.).

### Options and futures on currencies and other assets

The sale of calls on currencies and other assets commits the relevant Portfolio to supply the underlying asset to the call purchaser if he or she exercises the option to buy. This gives rise to the risk that, if the option is exercised, the Portfolio could either fail to benefit from any significant rise in the value of the underlying asset or be forced to purchase that asset on the open market at a higher price in order to supply it to the counterparty to the contract. In the case of the sale of puts on currencies or other assets, the risk is that the relevant Portfolio will be forced to buy those currencies or other assets at the strike price, even though their market prices may be significantly lower at the exercise date. The value of fund assets could be more adversely affected by option leverage than by the direct purchase of currencies or other assets.

Similar risks accompany financial futures in which the parties to the contract agree to deliver an agreed asset or currency at an agreed time at an agreed price. Leverage and its associated risks exist here too because only one part of the contract (the "margin") must be delivered immediately. Sharp price fluctuations in either direction on the margin can produce major gains or losses. In private transactions, the duty to make margin payments need not necessarily apply.

### Financial derivatives on indices or sub-indices

Some Portfolios may invest in financial derivative instruments on indices or sub-indices. When investing in such instruments, there is no assurance that the underlying index or sub-index will continue to be calculated and published or that it will not be amended significantly. Any change to the underlying index or sub-index may adversely affect the value of the relevant instrument. The past performance of an index or sub-index is not necessarily a guide to its future performance.

When a Portfolio invests in a financial derivative instrument on an index or a sub-index, the relevant Sub-Advisor will not actively manage the underlying components of such financial derivative instrument. The selection of the underlying components will be made in accordance with the relevant index composition rules and eligibility criteria and not by reference to any performance criteria or performance outlook.

Investors should be aware that investments in financial derivative instruments on indices or sub-indices involve assessing the risk of an investment linked to the relevant index or sub-index and, where applicable, the techniques used to link the investment to the underlying index or sub-index.

The value of the underlying indices or sub-indices and the value of the techniques used to link the investment to them may vary over time and may increase or decrease by reference to a variety of factors which may include, amongst others, corporate actions, macro-economic factors and speculation.

### Investment in warrants

Warrants confer on the investor the right to subscribe a fixed number of ordinary shares in the relevant company at a pre-determined price for a fixed period.

The cost of this right will be substantially less than the cost of the share itself. Consequently, the price movements in the share will be multiplied in the price movements of the warrant. This multiplier is the leverage or gearing factor. The higher the leverage the more attractive the warrant. By comparing, for a selection of warrants, the premium paid for this right and the leverage, their relative worth can be assessed. The levels of the premium and gearing can increase or decrease with investor sentiment. Warrants are therefore more volatile and speculative than ordinary shares. Investors should be warned that prices of warrants are extremely volatile and that furthermore, it may not always be possible to dispose of them.

The gearing effect of investments in warrants and the volatility of warrant prices make the risks attached to investment in warrants higher than is the case with investments in equities.

### Mortgage-backed securities

Some Portfolios may invest in mortgage derivatives, including mortgage-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by such Portfolios (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the Portfolios reinvest such principal. In addition, as with callable fixed-income securities generally, if the Portfolios purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as

much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Payment of principal and interest on some mortgage pass-through securities (but not the market value of the securities themselves) may be guaranteed by the U.S. Government, or by agencies or instrumentalities of the U.S. Government (which guarantees are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations). Certain mortgage pass-through securities created by non-governmental issuers may be supported by various forms of insurance or guarantees, while other such securities may be backed only by the underlying mortgage collateral.

Some Portfolios may also invest in Investment Grade collateralised mortgage obligations ("CMOs"), which are structured products backed by underlying pools of mortgage pass-through securities. Similar to a bond, interest and prepaid principal on a CMO are paid, in most cases, monthly. CMOs may be collateralised by whole residential or commercial mortgage loans but are more typically collateralised by portfolios of residential mortgage pass-through securities guaranteed by the U.S. Government or its agencies or instrumentalities. CMOs are structured into multiple Classes, with each Class having a different expected average life and/or stated maturity. Monthly payments of principal, including prepayments, are allocated to different Classes in accordance with the terms of the instruments, and changes in prepayment rates or assumptions may significantly affect the expected average life and value of a particular Class.

Some Portfolios may invest in principal-only or interest-only stripped mortgage-backed securities. Stripped mortgage-backed securities have greater volatility than other types of mortgage-related securities. Stripped mortgage-backed securities which are purchased at a substantial premium or discount generally are extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a sustained higher or lower than expected rate of principal payments may have a material adverse effect on such securities' yield to duration. In addition, stripped mortgage securities may be less liquid than other securities which do not include such a structure and are more volatile if interest rates move unfavourably.

The Management Company expects that government, government-related or private entities may create other mortgage-related securities in addition to those described above. As new types of mortgage-related securities are developed and offered to investors, the Management Company will consider making investments in such securities, provided they are dealt in on a Regulated Market.

### Non-traditional Debt Securities

The Bond Portfolios and particularly high yield Bond Portfolios are generally permitted to invest in a range of fixed interest securities which includes non-traditional types of debt securities. These may include (without limitation) regulatory capital (such as Tier 1 and Tier 2 capital), subordinated debt, and various forms of contingent capital securities including but not limited to Contingent Convertible Bonds. These securities may possess features such

as coupon deferral or cancellation, resettable coupon rates, loss of capital or conversion to equity. Such investment may be made by the Portfolios but will only be permitted in accordance with the Portfolio's investment objective and policy and within the existing risk profile of the Portfolio.

In line with ESMA communication 2014/944, Contingent Convertible Bonds have specific risks associated such as:

- Coupon cancellation: coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any length of time;
- Trigger level risk: Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Sub-Advisor of the relevant Portfolio to anticipate the triggering events that would require debt to convert into equity;
- Capital structure inversion risk: contrary to classic capital hierarchy, investors in Contingent Convertible Bonds may suffer a loss of capital when equity holders do not;
- Call extension risk: Contingent Convertible Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the issuer. It cannot be assumed that the perpetual Contingent Convertible Bonds will be called on call date. Contingent Convertible Bonds are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

The above risk factors do not purport to be a complete explanation of the risks involved in investing in Shares of the relevant Portfolio.

### Asset-backed Transferable Securities

Some Portfolios may also invest in asset-backed Transferable Securities. Asset-backed Transferable Securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

### Structured products

Some Portfolios may invest in structured products. These include interests in entities organised solely for the purpose of restructuring the investment characteristics of certain other investments. These investments are purchased by the entities (frequently special purpose vehicles that are part of limited recourse structures), which then issue Transferable Securities (the structured products) backed by, or representing interests in, the underlying investments. The cash flow from the underlying investments may be apportioned among the newly issued structured products to create Transferable Securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow from the underlying investments or the movement in value of the underlying investment.

Structured products are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or investment. Structured products

may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or investment. Structured products are also subject to the credit risk of any other entities forming part of the structure, as the ability of the issuer to meet its obligations under the Transferable Securities may be dependent on payments due from other participants.

Some Portfolios may also invest in credit linked securities referenced to underlying securities, instruments, baskets of securities or indices. These securities are subject to both counterparty risk and the risks inherent in the underlying investment. The counterparty risk lies with each party with whom the Management Company or the Sub-Advisors contract on behalf of the SICAV for the purpose of making investments (the counterparty). The underlying investment risk lies with the sovereign or corporate entity against which payments made under the product are referenced.

#### **Credit default swaps**

Some Portfolios may also enter into credit default swap transactions which can be subject to higher risk than direct investment in debt securities. The market for credit default swaps may from time to time be less liquid than debt securities markets. The “buyer” (of protection) in a credit default swap transaction is obliged to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or “par value”, of the reference obligation in exchange for the reference obligation. The Portfolios, if sellers, will lose their investment and recover nothing. However, if an event of default occurs, the Portfolios (if buyers) will receive the full notional value of the reference obligation that may have little or no value. As sellers, the Portfolios receive a fixed rate of income throughout the term of the contract, which is typically between six months and three years, provided that there is no event of default.

The above mentioned Portfolios may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities they hold in their portfolios. This would also involve the risk that the swap may expire worthless and would only generate income in the event of an actual default by an issuer of the underlying obligation as opposed to a credit downgrade or other indication of financial instability. This would also involve credit risk: the risk that the seller may fail to satisfy its payment obligations to the Portfolios in the event of a default. To mitigate the counterparty risk resulting from credit default swaps transactions, the Portfolios will only enter into credit default swaps with highly rated financial institutions specialised in this type of transaction.

#### **Interest rate swaps**

Some Portfolios may enter into an interest rate swap, in which one party exchanges a stream of interest for another party's stream. This type of swap is a contractual agreement entered into between two counterparties under which each agrees to make periodic payment to the other for an agreed period of time based upon a notional amount of principal. Under the commonest form of interest rate swap, a series of payments calculated by applying a fixed rate of interest to a notional principal amount is exchanged for a stream of payments similarly calculated but using a floating rate of interest.

#### **Total/Excess return swaps**

Some Portfolios may enter into a total return swap and/or excess return swap in which one party receives interest payments on a reference asset plus any capital gains and losses over the payment period, while the other receives a specified fixed and/or floating cash flow unrelated to the performance of the reference asset. Where a Portfolio uses total return swaps or a similar type of instrument for investment purposes, the strategy and the underlying to which the Portfolio takes exposure are those described in the investment strategy of the relevant Portfolio.

#### **Equity swaps**

Some Portfolios may enter into an equity swap which is a swap where a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate. The other will be based on the performance of a share of stock or stock market index.

#### **Currency Fluctuations**

All globally invested Portfolios will be exposed to currencies other than the Base Currency, which may increase the volatility of the Net Asset Value of the Portfolios. In addition, those Portfolios exposed to emerging markets currencies may experience even greater volatility.

Some currencies may experience significant declines against some other currencies and devaluation of any such currencies may occur subsequent to the investment in these currencies by a Portfolio. The value of the assets of the Portfolio, as measured in one currency, may consequently be affected unfavourably by such devaluations. In addition, the Portfolios may engage in certain currency transactions, where available, in an attempt to hedge the Portfolio's currency risks. Such transactions may entail additional costs.

While the factors described above may result in a generally higher risk with respect to emerging markets, the Portfolios will attempt to manage this risk through diversification of investments within the Portfolio.

#### **Commodity indices**

Some Portfolios may invest in commodity indices comprised of futures contracts on physical commodities in certain sectors. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the futures contracts that the index comprises approach expiration, they are replaced by contracts that have a later expiration. For example, a contract purchased and held in August may have an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This process is referred to as “rolling”. Those Portfolios which invest in rolling indices could be positively or negatively impacted depending on whether the underlying market is in “backwardation”, or “contango”. If the market for these contracts is in “backwardation”, where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield”. Conversely, contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The

absence of backwardation in the commodity markets could result in negative “roll yields”, which could adversely affect the value of the index and, accordingly, adversely affect the market value of the Portfolio.

Portfolios investing in commodity indices will be affected by the underlying commodity markets and the underlying commodities may perform very differently to the traditional securities markets such as equities and bonds. Commodity prices may change unpredictably, affecting the index and the level of the index and the value of the Portfolio in unforeseeable ways. Trading in futures contracts associated with the index commodities is speculative and can be extremely volatile.

Commodity indices may be particularly susceptible to fluctuation and may fluctuate rapidly based on numerous factors affecting the underlying commodities, including: changes in supply and demand relationships; weather; trade; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; technological developments and changes in interest rates. These factors may affect the level of the index and the value of the relevant Portfolio in varying ways, and different factors may cause the value of the index commodities, and the volatility of their prices, to move in inconsistent directions at inconsistent rates. This could adversely affect the value of the Portfolio.

The commodities underlying the index components may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities and the value of the index.

#### **Exchange traded notes**

Some Portfolios may invest in exchange traded securitised or structured notes (“Notes”) linked to the performance of a reference asset issued by certain counterparties (the “Note Provider”). Changes in the credit ratings of the Note Provider may affect the market value of the reference asset. Credit ratings are an assessment of the Note Provider’s ability to pay its obligations, including those on the Notes. Consequently, actual or anticipated changes in the Note Provider’s credit ratings may affect the market value of the Notes. However, because the return on the Notes is dependent upon certain factors in addition to the Note Provider’s ability to pay its obligations on the Notes, an improvement in the credit ratings of the Note Provider will not reduce the other investment risks related to the Notes.

#### **Investment in other UCIs (including Exchange Traded Funds)**

Some Portfolios may invest in other UCIs. Investment decisions of such underlying UCIs are made at the level of such UCIs. There can be no assurance that the selection of the managers of the underlying UCIs will result in an effective diversification of investment styles and that positions taken by the underlying UCIs will always be consistent. The underlying UCIs may not be subject to the supervision of the CSSF and may be less regulated; custody and audit rules may notably differ. The valuations of the assets of the underlying UCIs may not be verified by an independent third party on a regular or timely basis.

Both the Portfolio and the underlying UCIs will have costs and impose fees and commissions, which will cause a higher level of fees than if the investors

invested directly in the underlying UCIs. However, when a Portfolio invests in units/shares of other UCITS and/or other UCI which are managed, either directly or by delegation, by the Management Company or any appointed Sub-Advisor or by any other company with which the Management Company or any appointed Sub-Advisor is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or any appointed Sub-Advisor or other company may not charge subscription or redemption fees on account of the Portfolio’s investment in the units of such other UCITS and/or UCIs. The maximum management fees of other UCIs or UCITS in which a Portfolio may invest shall not exceed the percentage indicated in the “Other Investment Practices” section.

Some underlying UCIs may invest in assets that are not readily realisable or may be hard to value. The value of these assets is a matter of the relevant valuation agent’s policy and the true value may not be recognised until the asset is sold. This may be an ongoing risk for UCIs investing in property, but could also include other asset classes in extreme market conditions. There may be occasions where UCIs restrict redemptions and as such the Portfolios may not be able to liquidate a position in such UCIs. In a falling market this may result in losses to the Portfolios.

#### **Investment in REITs**

Investment in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by such REIT, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, are not diversified, are subject to heavy cash flow dependency, default by borrowers and self-liquidation.

Investing in REITs may involve risks similar to those associated with investing in small capitalisation companies. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

#### **Custody Risk**

Without prejudice to the obligations of the Depositary under Luxembourg law and to any related legal actions that may be available in this respect, the SICAV may be exposed to risk in relation to the custody of its assets particularly but not exclusively cash, where - depending on factors such as the legal regime in the country of custody or local market practice or other factors - assets may not be fully protected.

In the unlikely event of this happening, the SICAV’s assets may be lost or access to SICAV assets may be barred temporarily or permanently. Legal proceedings to retrieve such assets and/or for damages may or may not be successful and may be time consuming. Therefore these factors may lead to disruptions of the operations of the SICAV, ultimately assets of the SICAV may be lost, and consequently the Net Asset Value may be reduced.

#### **The SICAV**

The SICAV is an investment company organised as a “société d’investissement à capital variable” in the Grand Duchy of Luxembourg under the Companies Law and qualifies as a UCITS under the 2010 Law.



The SICAV, including all its Portfolios, is considered as a single legal person. However, pursuant to article 181(5) of the 2010 Law, each Portfolio corresponds to a distinct part of the assets and liabilities of the SICAV and shall therefore be liable only for its own debts and obligations.

The SICAV was incorporated on 10 February 1995 for an unlimited period and may be liquidated by decision of its Shareholders in an extraordinary general meeting. The Articles were published in the Memorial on 31 March 1995 and were last amended effective on 12 August 2013. The SICAV was formerly known as *American Express Funds* and subsequently as *World Express Funds I*. The SICAV's principal and registered office is at 31 Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg.

The SICAV is registered under the number R.C.S. Luxembourg B 50 216 at the Register of Commerce and Companies at the District Court of Luxembourg where the Articles are available for inspection and where copies thereof may be obtained upon request.

The corporate capital of the SICAV shall be at all times equal to the total net assets of all of the Portfolios of the SICAV. The minimum share capital of the SICAV shall be the equivalent in U.S. Dollars of 1,250,000 Euro.

The Directors are responsible for the overall administration, control and management of the SICAV and each of its Portfolios. The Directors are listed below together with their principal occupations:

Dominik KREMER, Head of EMEA & Latin America Institutional Sales;

Tony POON, Chief Administration Officer, North Asia;

Marie-Jeanne CHEVREMENT-LORENZINI, Independent Director;

Claude KREMER, Independent Director.

The Auditor is PricewaterhouseCoopers, *société coopérative*, 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg.

The SICAV may, with the consent of the Shareholders expressed in the manner provided for by articles 67 and 172 of the Companies Law be liquidated and the liquidator authorised to transfer all assets and liabilities of the SICAV to a Luxembourg UCITS or to a UCITS of another EU member state, in exchange for the issue to Shareholders in the SICAV of shares or units of such UCITS proportionate to their shareholdings in the SICAV. Any liquidation of the SICAV will be carried out in accordance with Luxembourg law and each Shareholder shall be entitled to a *pro rata* share of the liquidation proceeds corresponding to his shareholding in each Class of Shares of each Portfolio. Monies available for distribution to Shareholders in the course of the liquidation that are not claimed by Shareholders will, at the close of liquidation, be deposited at the *Caisse de Consignation* in Luxembourg pursuant to article 146 of the 2010 Law.

If the capital of the SICAV falls below two-thirds of the minimum capital of the equivalent in U.S. Dollars of 1,250,000 Euro, the Directors must submit the question of the dissolution of the SICAV to a general meeting of

Shareholders convened to be held within 40 days and for which no quorum shall be prescribed, and a decision to dissolve the SICAV may be taken by a simple majority of the affirmative votes of the Shareholders present or represented.

If the capital of the SICAV falls below one quarter of the minimum capital stated above, the Directors must submit the question of the dissolution of the SICAV to a general meeting of Shareholders convened to be held within 40 days and for which no quorum shall be prescribed, and a decision to dissolve the SICAV may be taken by the Shareholders owning one quarter of the Shares represented at the meeting.

The Shares of each Portfolio have no par value. Each Share is entitled to one vote at all general meetings of Shareholders irrespective of its Net Asset Value, subject to the limitations imposed by the Articles and by applicable Luxembourg laws and regulations. The SICAV will not recognise the vote of any United States Person. See "Restrictions on Ownership".

The Shares of each Portfolio when issued will have no preferential or pre-emptive rights. There are and will be no outstanding options or special rights relating to any Shares. The Shares are freely transferable, subject to the restrictions set forth below under "Restrictions on Ownership".

Shares of each Portfolio are presently issued in non-certificated registered form, including fractional entitlements, except where a Shareholder specifically also asks for a physical Share certificate to be issued, in which case such Shareholder shall bear the associated costs.

Separate Portfolio or Class meetings may be held on certain matters materially affecting the interests of the relevant Shareholders, at which only the Shares of the relevant Portfolio and/or Class will vote.

## The Management Company

The SICAV has designated Threadneedle Management Luxembourg S.A. to serve as its designated management company in accordance with the 2010 Law, pursuant to a Management Company Services Agreement dated as of 31 October, 2005. Under this Agreement, the Management Company provides investment management, administrative and marketing services to the SICAV, subject to the overall supervision and control of the Directors.

The Management Company, formerly known as American Express Bank Asset Management Company (Luxembourg) S.A. and subsequently Standard Chartered Investments (Luxembourg) S.A, was organised on August 24, 2005 as a public limited company (*société anonyme*) for an unlimited period of time under the laws of the Grand Duchy of Luxembourg. Its articles of incorporation were published in the Memorial on 22 September 2005 and were last amended on 28 September 2010. It is registered under the number R.C.S. Luxembourg B 110242 at the Register of Commerce and Companies at the District Court of Luxembourg. Its share capital amounts to Euro 800,000 fully paid-up. The Management Company is indirectly owned by and is an indirect subsidiary of Ameriprise Financial, Inc. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

The Management Company is in charge of the day-to-day operations of the SICAV. The board of directors of the Management Company is composed of:

Timothy GILLBANKS (Chairman), Regional Head, EMEA;

Andrew CHAN, Chief Operating Officer, Asia Pacific;

Dominik KREMER, Head of EMEA & Latin America Institutional Sales;

Tony POON, Chief Administration Officer, North Asia;

Laura WEATHERUP, Head of Investment Operations, EMEA.

The conducting persons of the Management Company are:

Julie GRIFFITHS, Head of Investment Risk, EMEA and Asia;

Jeremy SMITH, Head of Transfer Agency Oversight, Threadneedle Management Luxembourg S.A.;

Garry PIETERS, Independent.

In fulfilling its responsibilities set forth by the 2010 Law and the Management Company Services Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the SICAV and the Regulatory Authority. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment management, transfer agency and administration and marketing and distribution. See "Investment Advisory Arrangements", "Distribution Arrangements" and "Service Providers" below.

The Management Company shall at all times act in the best interests of the SICAV and its Shareholders and according to the provisions set forth by the 2010 Law, the Prospectus and the Articles.

The Management Company Services Agreement provides for a term of unlimited duration and may be terminated by either party upon three months' prior written notice.

## Remuneration

The Management Company, as part of Columbia Threadneedle Investments EMEA Region, shall apply remuneration policies and practices for identified staff in compliance with the UCITS V Directive (2014/91/EU) ("UCITS V") and regulatory requirements. Further details on the Remuneration Policy can be found at [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com). The up to date details of the remuneration policy shall include, but are not limited to, a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee.

The remuneration policy 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:

- the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and of the investors, and includes measures to avoid conflicts of interest. The Management Company has full discretion as to whether any variable remuneration is awarded in compliance with the Remuneration Policy;
- where remuneration is performance-related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit and as to their risks and of the overall results of the Management Company when assessing individual performance, taking into account financial and non-financial criteria. In particular, employees will not be eligible to receive an incentive award if at any point during the relevant performance year, and the period from the end of the performance year until the award payment date, the employee has been found, not to have met the Management Company's standards of performance and conduct;
- the assessment of performance is set in a multi-year framework with stock awards set with deferral rates in accordance applicable regulation.

Further details on the Remuneration Policy can be found at [columbiathreadneedle.com](http://columbiathreadneedle.com). A paper copy of the Remuneration Policy is available free of charge upon request.

## Investment Advisory Arrangements

Subject to the overall responsibility of the Directors, the Management Company will provide or procure for each Portfolio investment advisory and discretionary investment management services, pursuant to the provisions of the Management Company Services Agreement.

In order to implement the investment policies of each Portfolio, the Management Company has delegated the management of the assets of each Portfolio to the Sub-Advisors listed below pursuant to a Sub-Advisory agreement with each Sub-Advisor. The Sub-Advisors provide the Management Company with management or advisory services in relation to Portfolio assets and also provide investment research and credit analysis concerning prospective and existing Portfolio investments. Each Sub-Advisor has day-to-day investment responsibility in respect of the relevant Portfolios. The Management Company is responsible for paying the fees of such Sub-Advisors as set forth in the section "Fees and Expenses".

- Columbia Management Investment Advisers, LLC, 100 Federal Street Boston, MA 02110, United States, acts as Sub-Advisor to Diversified Alternative Risk Premia, Global Technology, US High Yield Bond, US Investment Grade Corporate Bond, Global Energy Equities and US Contrarian Core Equities;
- Threadneedle Asset Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6AG, United Kingdom, acts as Sub-Advisor to Global Strategic Bond, Global Corporate Bond, Global Opportunities Bond, Global Emerging Market Short-Term Bonds, Global Asset Allocation, Global Multi Asset Income, Global Focus, Emerging Market Debt, Emerging Market Corporate Bonds, Pan European Small

Cap Opportunities, Pan European Equities, Pan European Absolute Alpha, Asian Equity Income, American Select, European Strategic Bond, Global Emerging Market Equities, Greater China Equities, India Opportunities, American Absolute Alpha, Enhanced Commodities, UK Equities, UK Equity Income, American, Global Smaller Companies, European Select and Gatehouse Shariah Global Equity.

#### *Delegation of discretionary investment advice*

From time to time, and subject to all relevant regulatory approvals being obtained, Threadneedle Asset Management Limited may, subject to its own liability, delegate the discretionary investment management of part of the assets of the following Portfolios to one or more third parties within the Ameriprise Financial, Inc. group of companies:

- Emerging Market Corporate Bonds;
- Emerging Market Debt;
- Global Corporate Bond;
- Global Emerging Markets Short-Term Bonds;
- Global Strategic Bond.

The identity(ies) of the delegate(s) will be published on the website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com).

Threadneedle Asset Management Limited will pay for the services of any of its delegates out of its own assets.

#### *Non-discretionary investment advice*

Columbia Management Investment Advisers, LLC makes investment recommendations to Threadneedle Asset Management Limited and, therefore provides investment advice supported by research, to Threadneedle Asset Management Limited in relation to the following Portfolios:

- American;
- American Select;
- American Absolute Alpha;
- Global Emerging Market Equities;
- Global Multi Asset Income;
- Global Opportunities Bond.

Threadneedle Asset Management Limited may act, or refrain from acting, based upon its view of any investment advice supported by research or investment recommendations provided by Columbia Management Investment Advisers, LLC and retains the complete discretion to take all day to day investment decisions and to deal in investments.

Threadneedle Asset Management Limited will remain liable at all times for the services provided by such delegates and will pay for their services out of its own assets.

- Threadneedle Investments Singapore (Pte.) Limited, 3 Killiney Road, #07-07 Winsland House 1, Singapore 239519, acts as Sub-Advisor to Flexible Asian Bond, Asia Contrarian Equity, Asian Focus and Developed Asia Growth and Income.

#### *Non-discretionary investment advice*

Columbia Management Investment Advisers, LLC makes investment recommendations to Threadneedle Investments Singapore (Pte.) Limited

and, therefore provides investment advice supported by research, to Threadneedle Investments Singapore (Pte.) Limited in relation to the following Portfolios:

- Asia Contrarian Equity;
- Asian Focus;
- Developed Asia Growth and Income.

Threadneedle Investments Singapore (Pte.) Limited may act, or refrain from acting, based upon its view of any investment advice supported by research or investment recommendations provided by Columbia Management Investment Advisers, LLC and retains the complete discretion to take all day to day investment decisions and to deal in investments.

Threadneedle Investments Singapore (Pte.) Limited will remain liable at all times for the services provided by such delegates and will pay for their services out of its own assets.

- Mondrian Investment Partners Limited, 5th Floor, 10 Gresham Street, London EC2V 7JD, United Kingdom, acts as Sub-Advisor to Mondrian Investment Partners – Emerging Markets Equity;
- STANLIB Asset Management Limited, 17 Melrose Boulevard, Melrose Arch 2196, PO Box: 202, Melrose Arch 2076, Johannesburg, South Africa acts as Sub-Advisor to STANLIB Africa Equity and STANLIB Global Emerging Markets Property Securities.

While the Management Company is at all times subject to the direction of the Directors, the Management Company Services Agreement and relevant Sub-Advisory agreement provide that the Management Company or the Sub-Advisor appointed by it is responsible for the management of the relevant Portfolios. Therefore, the responsibility for making decisions to buy, sell or hold a particular security rests with the Management Company or the Sub-Advisors appointed by it, subject to the control, supervision, direction and instruction of the Directors.

## Conflicts of Interest

There are potential sources of conflicts of interest between the SICAV and/or the Management Company and the Shareholders and the Ameriprise Group and any persons appointed as Sub-Advisor (each an “Interested Party”). These include the following:

- (i) an Interested Party may purchase and sell for its own account securities in which the SICAV may also invest. In addition, the Management Company in its normal course may purchase and sell assets for the SICAV from and to an Interested Party on an arm’s length basis and may give investment advice in respect of, or manage third-party funds that are invested in, the same securities in which the SICAV will invest;
- (ii) an Interested Party may lend money to the companies or countries in which the SICAV invests. Credit decisions that an Interested Party makes in respect of such companies or countries could have an impact on the market value of the securities in which the SICAV invests. Furthermore, an Interested Party’s position as a lender may be senior to the securities in which the SICAV invests;



(iii) an Interested Party may also engage in other activities involving or affecting the securities in which the SICAV invests. In particular, an Interested Party may be involved in origination of transactions concerning such securities, underwriting such securities and acting as broker-dealer in respect of such securities. In addition, an Interested Party may perform other services for portfolio companies and receive fees, commissions and other remuneration therefor;

(iv) in conjunction with its various activities, an Interested Party may come into possession of confidential information that could, if known to the public, affect the market value of the securities in which the SICAV will invest. An Interested Party may not disclose such information to the SICAV or use such information for the benefit of the SICAV.

In effecting foreign exchange or in making any purchase or sale of any securities or other assets for the SICAV, an Interested Party may act as a counterparty, principal agent or broker in the transaction and may be separately compensated in that capacity.

## Portfolio Transactions

Subject to policies established by the Directors, the Management Company is primarily responsible for the execution of each Portfolio's transactions and the allocation of such transactions. The SICAV has no obligation to deal with any broker or group of brokers in respect of the execution of transactions in Portfolio securities. The SICAV contemplates, however, that a substantial amount of its portfolio transactions will be conducted through the Management Company or its delegates. Transactions may also be effected through brokers and dealers that are affiliated with Sub-Advisors. Such transactions may be subject to a commission or dealer mark-up, which may not be the lowest commission or spread available.

Brokers who provide supplemental investment research to the Management Company may receive orders for transactions by the SICAV. Information so received will be in addition to and not in lieu of the services required to be performed by the Management Company under the Management Company Services Agreement, and the expenses of the Management Company will not necessarily be reduced as a result of the receipt of such supplemental information.

Securities held by a Portfolio also may be held by another Portfolio or by other funds or investment advisory clients for which the Management Company or Sub-Advisors or their affiliates act as an advisor. Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If the Management Company or Sub-Advisor is considering the purchase or sale of a security for a Portfolio or for another company for which it acts as management company or sub-advisor, transactions in such securities will be made, insofar as feasible, in a manner deemed by the Management Company or Sub-Advisor to be equitable to both the Portfolio and the SICAV. There may be occasions, however, when such purchases or sales of securities have an adverse effect on the Portfolio or on other clients of the Management Company or Sub-Advisor.

## Net Asset Value Determination

The Net Asset Value per Share of each Class of each Portfolio is calculated as of each Valuation Date.

The Net Asset Value per Share is determined by or at the direction of the SICAV and made available at the registered office of the SICAV. The Net Asset Value per Share is stated in the currency in which the relevant Class of such Portfolio's Shares is denominated as well as in certain other currencies as may be determined from time to time by the Directors.

The assets of the SICAV will be valued as follows:

- (i) 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 SICAV may consider appropriate in such case to reflect the true value thereof;
- (ii) Transferable Securities, Money Market Instruments and any financial assets listed or dealt in on a stock exchange of an Other State or on a Regulated Market, or on any Other Regulated Market of a Member State or of an Other State, are generally valued at their last exchange price in the relevant market at the time of closure of the market, or any other price deemed appropriate by the Directors. Fixed income securities not traded on such markets are generally valued at the last available price or yield equivalents obtained from one or more dealers or pricing services approved by the Directors, or any other price deemed appropriate by the Directors;
- (iii) if such prices are not representative of their value, such securities are stated at market value or otherwise at the fair value at which it is expected they may be resold, as determined in good faith by or under the direction of the Directors;
- (iv) Money Market Instruments (or other instruments in line with market convention in the jurisdiction in which the instrument is held) with a remaining maturity of 90 days or less will be valued by the amortised cost method, which approximates market value. Under this valuation method, the relevant Portfolio's investments are valued at their acquisition cost or the last market value prior to the 90 day period commencing (where an instrument at purchase date originally had more than 90 days to maturity) and adjusted for amortisation of premium or accretion of discount rather than at market value;
- (v) units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the SICAV on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value;

(vi) the liquidating value of futures, forward or options contracts not traded on a stock exchange of an Other State or on Regulated Markets, or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Directors, on a basis consistently applied for each different variety of contracts. The value of futures, forward or options contracts traded on a stock exchange of an Other State or on Regulated Markets, or on other Regulated Markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on regulated markets, or on other regulated markets on which the particular futures, forward or options contracts are traded on behalf of the SICAV; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;

(vii) interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve;

(viii) credit default swaps and total/excess return swaps will be valued at fair value under procedures approved by the Directors. As these swaps are not exchange-traded, but are private contracts into which the SICAV and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for credit default swaps and total/excess return swaps near the Valuation Date. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments be made to reflect any differences between the credit default swaps and total/excess return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such market input data are available, credit default swaps and total/excess return swaps will be valued at their fair value pursuant to a valuation method adopted by the Directors which shall be a valuation method widely accepted as good market practice (*i.e.* used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Directors may deem fair and reasonable be made. The SICAV's auditor will review the appropriateness of the valuation methodology used in valuing credit default swaps and total/excess return swaps. In any way the SICAV will always value credit default swaps and total/excess return swaps on an arm's-length basis;

(ix) All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Directors;

(x) all other securities, instruments and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Directors;

(xi) assets denominated in a currency other than that in which the relevant Net Asset Value will be expressed, will be converted at the relevant foreign currency spot rate on the relevant Valuation Date. In that context account shall be taken of hedging instruments used to cover foreign exchange risks.

The SICAV constitutes one single collective investment scheme with separate Portfolios. Each Portfolio, however, is deemed a separate entity vis-à-vis third parties and creditors and is exclusively liable for its own debts and obligations.

Notwithstanding the above, pursuant to general guidelines and policies adopted by the Directors from time to time, if the Directors consider that another method of valuation would more accurately reflect the value at which it is expected that the securities or other investments may be resold, the method used to value such securities or other investments, whether on each Valuation Date, or on any particular Valuation Date, may be adjusted by or under the direction of the Directors, in their sole and absolute discretion.

The Net Asset Value per Class of each Portfolio is determined by dividing the value of the total assets of the Portfolio properly allocable to such Class of Shares, less the liabilities of such Portfolio properly allocable to such Class of Shares by the total number of Shares of such Class outstanding on the Valuation Date.

If the Net Asset Value per Share is certified by an authorised officer or representative of the SICAV, any such certification shall be conclusive except in the case of manifest error.

Interest receivable on debt securities held by a Portfolio is accrued daily and dividends receivable are accrued as of the relevant ex-dividend dates.

## Net Asset Value Publication

The Net Asset Value per Class of each Portfolio and the offering and redemption prices shall be available at the registered office of the SICAV. The SICAV may arrange for the publication of this information in leading financial newspapers or as otherwise required by applicable law. The SICAV cannot accept any responsibility for any error or delay in publication or for non-publication of a Net Asset Value.

## Dilution Adjustment

The Portfolios may suffer reduction of the Net Asset Value per Share due to dealing spreads, transaction costs and tax charges that arise when purchases and sales of underlying investments are undertaken by the Sub-Advisor to accommodate cash inflows and outflows; this is known as "dilution". A dilution adjustment may be applied to protect the Shareholders of the Portfolios by countering the impact of dilution (the "Dilution Adjustment"). If the net capital activity (including subscriptions, redemptions and conversions into a given Portfolio) on a given Valuation Date exceeds the threshold set by the Management Company from time to time for that Portfolio, the Net Asset Value of the Portfolio may be adjusted upwards or downwards to reflect the net inflows and net outflows respectively.

The Net Asset Value per Share of each Share Class in the Portfolio is calculated separately but any Dilution Adjustment will have an identical effect on the Net Asset Value per Share of each Share Class of the Portfolio. The amount of Dilution Adjustment will be set by the Management Company to reflect the estimated dealing spreads, transaction costs and tax charges that may be incurred by the Portfolio; these costs can vary with market conditions and the portfolio composition. The Dilution Adjustment may therefore be amended from time to time. Such Dilution Adjustments may vary from Portfolio to Portfolio and between daily net inflows and outflows but will not exceed 2% of the original Net Asset Value per Share (with the exception of the STANLIB Africa Equity Portfolio, for which the amount of Dilution Adjustment will not exceed 5% of the original Net Asset Value per Share). A periodic review is undertaken in order to verify the appropriateness of the Dilution Adjustments being applied. In the usual course of business the application of Dilution Adjustment will be triggered mechanically and on a consistent basis, however the Management Company reserves the right to make a discretionary Dilution Adjustment if, in its opinion, it is in the interests of existing Shareholders so to do.

The Dilution Adjustment may be applied across all Portfolios with the exception of Mondrian Investment Partners – Emerging Markets Equity and Enhanced Commodities.

Estimates of the amount of Dilution Adjustment based on securities held in each Portfolio and market conditions at the time of this Prospectus as well as the number of occasions on which the Dilution Adjustment is applied will be published on the website [www.columbiathreadneedle.com](http://www.columbiathreadneedle.com).

## Fees and Expenses

### Portfolio Operating Expenses

All expenses incurred in the operation of the SICAV and defined below (hereafter the “Operating Expenses”, “Asset Management Fee” or “Portfolio Charges”, together, the “Expenses”) are fixed at the rates shown in Appendices C, D, E, F, G, H, I, J, K and L to this Prospectus except for Classes M and MGH, for which the Operating Expenses are 0.20% per annum. All Expenses are accrued daily based on the Net Asset Value of the relevant Class in the relevant Portfolio.

The Operating Expenses include, among other things, taxes, expenses for legal and auditing services, costs of printing proxies, stock certificates, Shareholders’ reports and notices, Prospectuses and Key Investor Information and other promotional expenses, fees and charges of the Depositary and its correspondents, and of the Domiciliary Agent, Administrative Agent, Registrar and Transfer Agent and of any paying agent, expenses of the issue and redemption of Shares, registration fees and expenses in various jurisdictions, listing fees, fees of unaffiliated directors of the SICAV, expenses of the Directors and officers of the SICAV and the Sub-Advisors relating to attendance at meetings of the Directors and of the Shareholders of the SICAV, translation costs, accounting and pricing costs (including the calculation of Net Asset Value per Share), insurance, litigation and other extraordinary or non recurring expenses, and all other expenses properly payable by the SICAV. The Operating Expenses also include the service fee payable to the Management Company. In the case of Classes M and MGH only, custody and sub-custody charges are paid by the relevant Classes as incurred and are not included in the Operating Expenses.

The Management Company will bear the excess of any Operating Expenses above the annual rate. Conversely the Management Company will be entitled to retain any amount by which the annual rate of Operating Expenses exceeds the actual expenses incurred by the SICAV.

Furthermore, the Management Company is entitled to receive an Asset Management Fee as more fully described in Appendices C, D, E, F, G, H, J, K and L herein (except with respect to Classes M and MGH for which charges are described directly in the body of this Prospectus) which are accrued daily and paid monthly. An Asset Management Fee is not payable for X Shares. Also, in relation to certain Portfolios, the Management Company is entitled to receive a performance fee as more fully described in the section below entitled “Performance fee”. For the avoidance of doubt, Operating Expenses do not include either Asset Management Fees or performance fees which are separate and distinct.

The Management Company will be responsible for paying ongoing sub-advisory fees to the Sub-Advisors out of the Asset Management Fee. The actual Asset Management Fee charged during any semi-annual period to each Class within each Portfolio will be disclosed in the annual or semi-annual reports covering such period. Investors may also obtain a schedule of the Asset Management Fee currently in effect upon request at the registered offices of the SICAV, the Management Company or the sub-distributors.

### Institutional Share Classes – Portfolio Charges – I Shares, L Shares, X Shares, Class M and Class MGH

There will be no initial sales charges applicable to any of the Institutional Share Classes except for Classes M and MGH. An Asset Management Fee for the I Shares will be charged as disclosed in Appendix H below, for Class L Shares as disclosed in Appendix K, for Classes M and MGH in which an Asset Management Fee of up to 0.95% of the total Net Asset Value of the Class per annum will be accrued daily and paid monthly. There will be no initial sales charges or Asset Management Fee for the X Shares as these Classes are only available to Eligible Investors.

### B Shares – CDSC

The SICAV may offer B Shares on certain Portfolios.

#### *Distribution Fee*

B Shares bear no initial sales charge and are subject to an ongoing distribution fee of 1.00% of the total Net Asset Value of the Class per annum.

#### *Contingent Deferred Sales Charge*

There is a declining CDSC on B Shares redeemed within 2 years of purchase. The percentage amount charged is as follows:

| Years since Purchase                 | CDSC |
|--------------------------------------|------|
| Less than 1 year                     | 2%   |
| 1 year or more but less than 2 years | 1%   |

The amount of the CDSC is equal to the current Net Asset Value of the B Shares being redeemed, multiplied by the applicable percentage rate referenced above.

### Exchange of B Shares

B Shares may be exchanged for B Shares in an alternative Portfolio where available without incurring the CDSC, but may not be switched into other Classes without incurring the CDSC. The B Shares will continue to age without regard to any exchanges. Accordingly, upon redemption of Shares acquired in an exchange for B Shares of another Portfolio, the amount of any CDSC will be applied as if the Shares redeemed were held since the date of initial purchase. Dividends paid on B Shares cannot be reinvested and will be paid to shareholders.

In order to minimise any CDSC that is payable, the SICAV assumes for each Shareholder that B Shares held the longest during the two year period are redeemed first.

On the first Business Day following the two year anniversary of purchase, B Shares will automatically be exchanged into A Shares of the same Portfolio and will become subject to the charging structure on the A shares, in particular the CDSC and the distribution fee will cease to be payable.

**Please note that depending on the performance of the Portfolio and the time when an investor redeems their investment they may be charged more than if they had invested in A Shares of the Portfolio.**

### Commission sharing arrangements

The Management Company and each relevant Sub-Advisor may enter into commission sharing arrangements with broker-dealers under which certain business services are obtained from such broker-dealers directly or from third parties and are paid for by the broker-dealers out of the commissions they receive on transactions for the SICAV. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the SICAV may be specifically allocated by the Management Company or each relevant Sub-Advisor to broker-dealers in consideration of any research services rendered as well as for services rendered in the execution of orders by such broker-dealers.

Commission sharing arrangements are subject to the following conditions:

(i) the Management Company or the Sub-Advisor will act at all times in the best interest of the SICAV and of its Shareholders when entering into commission sharing arrangements; (ii) the services provided will be in direct relationship to the activities of the Management Company or Sub-Advisor; (iii) brokerage commissions on portfolio transactions for the SICAV will be allocated by the Management Company or the Sub-Advisor to broker-dealers that are entities and not to individuals; (iv) commission sharing arrangements are not a determining factor in the selection of the broker-dealers; (v) the Management Company or the Sub-Advisor will provide reports to the Directors with respect to commission sharing arrangements including the nature of the services it receives; (vi) neither the Management Company, the Sub-Advisor nor any of their connected persons may retain cash or other rebates from broker-dealers; (vii) the goods or services received are of demonstrable benefit to the Shareholders; and (viii) periodic disclosure will be made in the SICAV's annual report in the form of statement describing the Management Company's commission sharing arrangements, including a description of the goods and services received. The goods and services received may include: research that can add value to a Sub-Advisor's

decision making process and execution services that enhance the Sub-Advisor's ability to execute transactions.

### Performance fee

The Management Company shall receive a performance fee as set forth below with respect to the Share Classes of the Portfolios listed in the table below. Daily provisions shall be set up for the accrual of the performance fee in respect of the performance fee balance (as described below), whereby the amount accrued shall be paid to the Management Company at the end of each calendar year. The amount of this performance fee depends on the performance of the Net Asset Value of the relevant Share Class within the relevant Portfolio compared to the performance of the relevant performance index (the "Performance Index", as per the table below). Accruals will only be made when the performance fee balance is positive and the NAV High Water Mark (defined below) is exceeded.

For the avoidance of doubt, performance of share classes includes dividends paid.

| Portfolio                   | Share Classes  | Performance Index                       | Performance Rate |
|-----------------------------|--|---|------------------|
| American Absolute Alpha     | A Shares<br>D Shares<br>I Shares<br>Z Shares             | 3 month LIBOR (US\$)                    | 20%              |
| Pan European Absolute Alpha | A Shares<br>D Shares<br>I Shares<br>Z Shares<br>L Shares | Higher of 3 month EURIBOR (EUR) or zero | 20%              |

The performance of the American Absolute Alpha Portfolio and the Pan European Absolute Alpha Portfolio, including the impact of all applicable fees, is compared to the Performance Index.

The performance fee balance shall be calculated on the difference between the performance of the Performance Index and the performance of the Share Class concerned (the "Daily Difference"):

- (i) in the event the Daily Difference is positive, the performance fee balance will increase by an amount in respect of the Daily Difference, at the relevant performance rate;
- (ii) if the Daily Difference is negative, the performance fee balance will be reduced by an amount in respect of the Daily Difference, at the relevant performance rate.

If the performance fee balance is positive as at the end of the calendar year, i.e. 31 December, and the NAV High Water Mark has been exceeded, the accrued amount of the performance fee will be paid to the Management Company within the first quarter of the subsequent calendar year. A performance fee shall only be paid to the Management Company if the Net Asset Value of the relevant Share Class exceeds the NAV High Water Mark.

If at the end of the calendar year the performance fee balance is negative and the NAV High Water Mark has been exceeded, such negative amount will be reset. For the avoidance of doubt, no performance fee would be due in this scenario.

If at the end of the calendar year the performance fee balance is negative and the NAV High Water Mark has not been exceeded, such negative amount will be carried forward and the Management Company shall not receive the payment of a performance fee until the amount of the accrued performance fee is positive and the NAV High Water Mark has been exceeded, at any subsequent calendar year's end.

In the event that a Portfolio or a Share Class is liquidated or a Portfolio or Share Class becomes dormant, any outstanding performance fee accrual shall be realised and payable to the Management Company. Thereafter, when new Shareholders have invested in such a Portfolio or Share Class, the performance fee balance will be reset.

**NAV High Water Mark:** in respect of each Share Class, is the Net Asset Value of a Share of such Share Class as at the last Valuation Date of the last relevant calendar year in which any accrued performance fee was paid. If a performance fee has never been paid, or the negative performance fee balance was reset, the NAV High Water Mark is the inception price of the relevant Share Class.

## Distribution Arrangements

The Management Company has also been appointed to provide distribution and marketing services pursuant to the Management Company Services Agreement. The Management Company may enter into contractual arrangements with financial institutions for the distribution of Shares outside the United States. Shares also may be purchased directly from the SICAV on the same pricing and charge basis as if obtained through the Management Company. The Shares have not been registered under the Securities Act, as amended, and may not be sold in the United States or to United States Persons.

The Management Company may re-allow discounts to sub-distributors with whom it has agreements and are entitled to the balance over such discounts. The Management Company and the sub-distributors may further re-allow the total or some part of the agreed discount to other parties, such as certain recognised financial intermediaries. The Management Company may, but is not obligated to, pay out of its assets for certain distribution and other expenses related to any Class of Shares.

The Management Company will provide a nominee service and may appoint additional nominees (each a "Nominee") to investors purchasing Shares of any Portfolio. Investors in a Portfolio may elect to make use of such nominee service pursuant to which the Nominee will hold the Shares of such Portfolio in its name for and on behalf of the investors who shall be entitled to at any time claim direct title to the Shares and who, in order to empower the Nominee to vote the Shares at any general meeting of Shareholders, shall provide the Nominee with specific or general voting instructions to that effect.

Only registered Shareholders may submit redemption orders directly to the SICAV. Investors whose Shares are maintained in the name of a Nominee must submit an order through the Nominee since the Nominee is recognised by the Management Company as the owner of record of the Shares. Beneficial owners of Shares held by a Nominee may at all times request the SICAV to register such Shares into their own name, subject to

prior notification to the Nominee and documentation of the identity of such owners to be provided to the Registrar and Transfer Agent.

The SICAV draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his 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 SICAV. Investors are advised to take advice on their rights.

## Luxembourg Anti-Money Laundering Regulations

In an effort to deter money laundering, the SICAV, the Management Company, sub-distributors and the Registrar and Transfer Agent must comply with all applicable international and Luxembourg laws and circulars regarding the prevention of money laundering and in particular with Luxembourg law dated 12 November 2004 against money laundering and terrorism financing, as amended. To that end, the SICAV, the Management Company, sub-distributors and the Registrar and Transfer Agent may request information necessary to establish the identity of a potential investor and the origin of subscription proceeds. Failure to provide documentation may result in a delay or rejection by the SICAV of any subscription or exchange or a delay in payout of redemption of Shares by such investor.

## Purchase of Shares

Investors will be required to complete an initial subscription application or other documentation satisfactory to the Management Company, sub-distributor and/or the Registrar and Transfer Agent in order to purchase Shares.

Applications for the subscription of Shares in relation to a Valuation Date should be received by the Registrar and Transfer Agent prior to 3.00 p.m. (Luxembourg time) on the relevant Valuation Date. Any applications received by the Registrar and Transfer Agent after this time will be dealt with on the next Valuation Date. At the discretion of the Directors, applications transmitted prior to the cut-off but received by the Registrar and Transfer Agent only after the cut-off may be treated as if they had been received prior to the cut-off.

Different subscription procedures and earlier time limits may apply if applications for Shares are made through a sub-distributor. In particular a sub-distributor or dealing platform may have in place a dealing cycle which means a trade received by the sub-distributor before 3.00pm (Luxembourg) time will not be dealt with on the next Valuation Date. In such instance, the sub-distributors will inform the applicant of the relevant procedure together with any time limit by which the application must be received. No sub-distributor is permitted to withhold subscription orders to benefit itself or its customers by a price change.

In the event the SICAV has suspended the Net Asset Value determination, the valuation on the first Valuation Date (on which the SICAV resumes the Net Asset Value determination) occurring after receipt of the order will be utilised.



Any order may be rejected by the Management Company, the sub-distributor, the Registrar and Transfer Agent or the SICAV. The SICAV reserves the right to suspend the sale to the public of Shares of any Portfolio in response to conditions in the securities markets or otherwise.

During the continuous offerings of the Shares of the respective Portfolios, the Subscription Price of Classes of Shares of each Portfolio is the Net Asset Value per Share of such Class plus any applicable sales charges imposed at the time of purchase. Sales charges can be found in Appendices C, E, F, G, J and L (except with respect to Classes M and MGH for which charges are described directly in the body of this Prospectus). No initial sales charge is payable in respect of I Shares, L Shares or X Shares.

**Subject to the terms of this Prospectus, Shares are available for purchase on each Valuation Date, which is normally each Business Day.**

Prior to subscription to X Shares, the prospective Shareholder must have received confirmation that they fall within the definition of Eligible Investors.

In each Class, Shares may be made available in the currency in which the Class is denominated and in such other freely convertible currencies upon a decision of the Directors.

In particular, the Subscription Price shall be payable in Multiple Payment Currencies which currently include U.S. Dollar and Euro. Multiple Payment Currencies will be available for the following Share Classes: Class AU, Class AE, Class DU, Class DE, Class IU, Class IE, Class BU, Class LU, Class LE, Class M, Class SU, Class TU, Class TE, Class ZU, Class ZE and Class XE. Where permitted, the Redemption Price shall be payable in the same currency elected for subscription. In Classes offering the Multiple Payment Currency option, the foreign currency exchange cost of conversion to the Portfolio's Base Currency, if any, will be paid by the Portfolio. While the foreign currency exchange is being performed, the SICAV may be exposed to a short-term risk of foreign exchange fluctuation.

Share Classes M and MGH within Mondrian Investment Partners – Emerging Markets Equity may be subject to a transaction charge of up to 0.75% of the Net Asset Value subject to the fair and equal treatment of the Shareholders. The charge is to cover certain investment expenses of the relevant Portfolio such as brokerage commissions and transaction related costs, including stamp duty, dealer spreads and, at times, market impact. The aim of such charge is to protect any existing Shareholders of the relevant Portfolio from carrying said costs and charges upon a subscription. The amount of the charge so collected shall be retained in the relevant Portfolio.

The SICAV retains the right to offer only one Class of Shares of each Portfolio for purchase by investors in any particular jurisdiction in order to conform to local law, or any other reason. The SICAV also reserves the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares of a Portfolio. Investors should consult their distributor or sub-distributor representatives for information concerning the Classes of Shares of each Portfolio currently available for purchase or write to the SICAV's Registrar and Transfer Agent.

If in any country in which a Class of Shares of a Portfolio is offered with an initial sales charge, local law or practice requires or permits a lower initial sales charge than set forth in Appendix C, E, F, G, J or L (or directly in the body of this Prospectus with respect to Classes M and MGH) for any individual purchase order, the Management Company may sell Shares, and may authorise sub-distributors to sell Shares, within such country with a lower sales charge. The SICAV also retains the right to authorise the Management Company or sub-distributor to sell Shares of each affected Class of a Portfolio with a higher initial sales charge, but not in excess of 5.0% of the Net Asset Value per Share.

The applicable Subscription Price of each Class of Shares ordinarily will be payable within three Business Days after the relevant Valuation Date. If the payment period in the relevant currency ends on a day which is not a bank business day in New York and Luxembourg in respect of U.S. Dollar, Luxembourg and Brussels in respect of the Euro, Luxembourg and London in respect of GBP, Luxembourg and Geneva in respect of CHF, Luxembourg and Stockholm in respect of SEK, Luxembourg and Singapore in respect of SGD, Luxembourg and Sydney in respect of AUD, Luxembourg and Hong Kong in the case of HKD and CNH, then payment must be made on the next following bank business day in the relevant place. The Subscription Price of each Class of Shares of each Portfolio shall be available in Luxembourg at the registered office of the SICAV unless alternative arrangements are made by the Management Company or sub-distributors.

The SICAV may elect, at its discretion, to accept in certain cases subscriptions in kind by contribution of Transferable portfolio Securities and other eligible assets and any associated transfer costs may be charged to the Shareholder, provided that these are suitable assets in respect of the relevant Portfolio's investment objective and that their market value on the relevant Valuation Date will be verified by a special report of Luxembourg independent auditors at the expense of the contributing Shareholder(s).

Share confirmations will be sent to investors within one month after Shares are issued, by the Registrar and Transfer Agent, to the investor's address or elsewhere at his request and expense, unless alternative arrangements are made by the Management Company or sub-distributor.

## Redemption of Shares

The Articles provide that it will, subject to the limitations described therein, redeem Shares of any Class of a Portfolio tendered to it by Shareholders. Subject to the terms of this document, Shares may be redeemed on each Valuation Date. Requests for redemption must be made in writing to the Registrar and Transfer Agent at its registered office and are irrevocable, except during any period of suspension or deferral of redemption as described below.

In case of suspension or deferral of the Net Asset Value determination or postponement of redemption requests, Shares of such Portfolio presented for redemption as from the date of such suspension or postponement will be redeemed upon the SICAV resuming redemption at the first then determined Net Asset Value.

Share Classes M and MGH within the Mondrian Investment Partners – Emerging Markets Equity Portfolio may be subject to a transaction charge of up to 0.75% of the Net Asset Value subject to the fair and equal treatment of the Shareholders. The charge is to cover certain disinvestment expenses of the relevant Portfolio such as brokerage commissions and transaction related costs, including dealer spreads and, at times, market impact. The aim of such charge is to protect any existing Shareholders of the relevant Portfolio from carrying said costs and charges upon a redemption. The amount of the fee so collected shall be retained in the relevant Portfolio.

Redemption requests in relation to a Valuation Date should be received by the Registrar and Transfer Agent prior to 3.00 p.m. (Luxembourg time) on the relevant Valuation Date in order to receive the prevailing Net Asset Value for that Valuation Date. Any request received by the Registrar and Transfer Agent after that time will be treated as received on the next succeeding Valuation Date. At the discretion of the Directors, requests transmitted prior to the cut-off but received by the Registrar and Transfer Agent only after the cut-off may be treated as if they had been received prior to the cut-off.

Payments will ordinarily be made within seven Business Days in the case of Mondrian Investment Partners – Emerging Markets Equity and, in respect of the other Portfolios, within three Business Days after the relevant Valuation Date in U.S. Dollar, Euro, GBP, CHF, SEK, SGD, HKD, CNH or AUD (depending on which currency was elected at the time of subscription). If the date for payment is not a bank business day in the country of the relevant payment currency (*e.g.*, New York for U.S. Dollar, Brussels for Euro, London for GBP, Geneva for CHF, Stockholm for SEK, Singapore for SGD, Sydney for AUD, Hong Kong for HKD and CNH) and in Luxembourg, the payment will be made on the next day that is a bank business day in such countries. Upon the request of an investor, payment of redemption proceeds may also be made to the relevant sub-distributor who will remit the relevant funds, if so requested by the investor, in local currency as may be freely purchased with U.S. Dollar, GBP, CHF, Euro, SEK, SGD, AUD, HKD or CNH as the case may be (depending on which currency was elected at the time of subscription). Payment will not be processed until the Subscription Price on the purchase of Shares has been paid.

The value of Shares of each Portfolio at the time of redemption may be more or less than the Subscription Price, depending on the market value of the relevant Portfolio's investments at such time.

The SICAV's obligation to redeem Shares of each Portfolio is subject to suspension or deferral as set forth below under "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value".

The SICAV shall not be bound to redeem or exchange on any Valuation Date more than 10% of a Portfolio's Shares or Class of Shares outstanding on such Valuation Date. Accordingly, any redemption or exchange request in excess of such limits may be deferred for a period that the Directors consider to be in the best interest of the SICAV but normally not exceeding 30 Valuation Dates after the date of receipt of the redemption or exchange requests. In case of deferral of redemptions or conversions, the relevant

Shares will be redeemed or exchanged at the Net Asset Value per Share as of the Valuation Date following such period. Any deferred redemption or exchange shall be treated in priority to any redemption or exchange requests received for subsequent Valuation Dates.

The SICAV may, in certain cases, subject to the fair and equal treatment of the remaining Shareholders of any Class of Shares and by agreement with redeeming Shareholders, effect payment for redeemed Shares of Portfolios by an *in specie* transfer, of securities and other assets of the relevant Portfolio. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the relevant class or classes of Shares. In the event that a redemption of Shares is effected by way of an *in specie* transfer any associated transfer costs may be charged to the redeeming Shareholder, provided that the market value of such securities will be verified by a special report of Luxembourg independent auditors, at the expense of the redeeming Shareholder(s).

If as result of a redemption or exchange request, the value of the account held by any Shareholder in a Portfolio would fall below the equivalent of US\$ 1,000 or 100 Shares, the Management Company may decide to redeem (or exchange) the entire shareholding of such Shareholder in a Portfolio.

## Restrictions on subscriptions and conversions into certain Portfolios

A Portfolio may be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if, in the opinion of the Management Company, this is necessary to protect the interests of existing Shareholders. One such circumstance would be where the Portfolio has reached a size such that the capacity of the market and/or the capacity of the Management Company or the relevant Sub-Advisor has been reached, and where to permit further inflows would be detrimental to the performance of the Portfolio. Any Portfolio which, in the opinion of the Management Company, is materially capacity constrained may be closed to new subscriptions or conversions without notice to Shareholders. Once closed to new subscriptions or conversions in, a Portfolio will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail and significant capacity is available within the Portfolio for new investment.

Where closures to new subscriptions or conversions occur, the website [www.columbiathreadneedle.com/lux](http://www.columbiathreadneedle.com/lux) will be amended to indicate the change in status of the applicable Portfolio or Share Class. Investors should confirm with the Management Company for the current status of Portfolios or Share Classes.

## Merger or Liquidation

### A. The Portfolios/Classes of Shares

The Directors may decide to liquidate a Portfolio created for an unlimited period of time or a Class of Shares if the net assets of such Portfolio or Class of Shares fall below an amount determined by the Directors to be a minimum level to enable such Portfolio or Class to be operated in an economically efficient manner, if a change in the economic or political situation relating to the Portfolio or Class concerned would justify such

liquidation or, if for other reasons the Directors believe it is required for the interests of the Shareholders. If a Portfolio is feeder of another UCITS or of one of its sub-funds, the merger, split or liquidation of such master UCITS or such relevant master sub-fund of the UCITS triggers liquidation of the feeder Portfolio, unless the investment policy of such Portfolio is amended in compliance with Part I of the 2010 Law. The decision of the liquidation will be published (either in a newspaper in Luxembourg and in newspapers issued in countries where the Shares are sold (insofar as required by applicable regulations), or sent to the Shareholders at their addresses indicated in the register of Shareholders or communicated via other means as deemed appropriate by the Directors) prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation. Unless the Directors otherwise decide in the interests of or to keep equal treatment between the Shareholders, the Shareholders of the Portfolio or Class of Shares concerned may continue to request to redeem or to exchange their Shares without redemption fees. Assets which cannot be distributed to their beneficiaries upon the completion of the liquidation of the Portfolio or Class of Shares concerned will be deposited with the Depositary for a period of six months after the completion of the liquidation. After such time, the assets will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries. The liquidation of a Portfolio shall in principle be closed within nine months from the decision to liquidate. In the event where such liquidation could not be closed within such timeframe, an authorisation to extend the period must be sought from the CSSF. Any funds to which Shareholders are entitled upon the liquidation of the Portfolio and which are not claimed by those entitled thereto prior to the close of the liquidation process shall be deposited for the persons entitled thereto at the *Caisse de Consignation* in Luxembourg and shall be forfeited after thirty years.

Under the same circumstances as provided in the preceding paragraph, the Directors may decide to liquidate one Portfolio by contribution into another Portfolio. Such decision will be published in the same manner as described in the preceding paragraph and, in addition, the publication will contain information in relation to the new Portfolio. Such publication will be made one month (or such longer period as required by compulsory law) before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their Shares, without redemption fees, before the operation involving contribution into another Portfolio becomes effective.

The Directors may also, under the same circumstances as provided above, decide to liquidate one Portfolio by contribution into another Luxembourg UCITS governed by the 2010 Law or to another UCITS in another EU member state. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the other UCITS. Such publication will be made one month (or such longer period as required by compulsory law) before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, before the operation involving contribution into another UCITS becomes effective.

In the event that the Directors believe it is required for the interests of the Shareholders of the relevant Portfolio or that a change in the economic

or political situation relating to the Portfolio concerned has occurred which would justify it, the reorganisation of one Portfolio, by means of a division into two or more Portfolios, may be decided by the Directors. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more new Portfolios. Such publication will be made one month (or such longer period as required by compulsory law) before the date on which the reorganisation becomes effective in order to enable the Shareholders to request redemption of their Shares, free of charge before the operation involving division into two or more Portfolios becomes effective.

Any of the aforesaid decisions of liquidation, amalgamation, merger or reorganisation may for any reason also be decided by a separate meeting of the Shareholders of relevant Classes in the Portfolio concerned where no quorum is required and the decision is taken at the simple majority of the Shares voting at the meeting.

Should future Portfolios be created for a limited maturity, the procedure for liquidation, amalgamation, merger or reorganisation will be described in the sales documents of the SICAV.

## B. The SICAV

The SICAV may at any time be dissolved by a resolution of the general meeting of Shareholders. Liquidation will be carried out by one or more liquidators appointed by the general meeting of Shareholders and the net liquidation proceeds of the SICAV distributed to Shareholders in proportion to their respective holdings at the close of liquidation.

Assets or proceeds which cannot be distributed following liquidation of the SICAV will be deposited with the *Caisse de Consignation*.

Whenever the Share capital of the SICAV falls below two thirds of the minimum capital required by Luxembourg law, the question of the dissolution of the SICAV shall be referred to the general meeting by the Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present and represented at the meeting. The question of the dissolution of the SICAV shall further be referred to the general meeting whenever the Share capital falls below one fourth of the minimum capital indicated above. In such an event, the general meeting shall be held without any quorum requirements and the dissolution may be decided by Shareholders holding one fourth of the Shares present and represented at the meeting. This general meeting must be convened within 40 days from the date of ascertaining that the net assets of the SICAV have fallen below the relevant minimum.

## Exchange Privilege

Each Shareholder will be entitled to exchange its Shares for: (i) Shares of the same Class of another Portfolio or (ii) Shares of a different Class of the same or of another Portfolio provided that (i) the Shareholder satisfies all relevant eligibility and minimum initial investment requirements of the new Class and, if relevant, Portfolio; and (ii) the requested Class is available in the jurisdiction in which the Shareholder is subscribing.

Exchanges consist of a redemption of the existing Shares of a Class immediately followed by a subscription of new Shares in another Class.



Shareholders that are exchanging their Shares shall note that:

- they may be subject to a Dilution Adjustment;
- where an exchange involves a change of denomination or payment currency, the currency conversion costs will be borne by the Shareholder;
- if there is a difference in the initial sales charge imposed between the two relevant Classes between which the exchange will be effected, the difference may be assessed to the Shares involved in the exchange; and
- the Management Company and sub-distributors of the SICAV may impose an exchange fee of up to 0.75% of the Net Asset Value of the Shares on each exchange of those Shares acquired through them. The exchange fee, if any, will be deducted at the time of such exchange and paid to the relevant distributors.

To exercise the right to exchange Shares in relation to a Valuation Date, the Shareholder must deliver an exchange order in proper form to the Registrar and Transfer Agent. Exchange orders should be received by the Registrar and Transfer Agent prior to 3.00 p.m. (Luxembourg time) on the relevant Valuation Date. Any exchange orders received by the Registrar and Transfer Agent after this time will be dealt with on the next Valuation Date. At the discretion of the Directors, exchange orders transmitted prior to the cut-off but received by the Registrar and Transfer Agent only after the cut-off may be treated as if they had been received prior to the cut-off.

Exchanges shall be effected on the basis of the Net Asset Value per Share for the relevant Classes on the same Valuation Date.

The exchange of Shares is not available in certain countries and prospective investors should inform themselves as to whether the exchange of Shares is available in their country. Shareholders should also be aware that the exchange of Shares may constitute a taxable event and should inform themselves of any potential consequence of this.

## Market Timing & Late Trading

The SICAV may reject or cancel any purchase orders, including exchanges, for any reason.

For example, excessive trading of Shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as 'market timing', has a disruptive effect on portfolio management and increases Portfolio expenses. Accordingly, the SICAV may in the sole discretion of the Directors compulsorily redeem or reject any purchase orders, including exchanges, from any investor that the SICAV reasonably believes has engaged in market timing activity, or investors that in the Directors' sole discretion, may be disruptive to the SICAV or any Portfolio. For these purposes, the Directors may consider an investor's trading history in the Portfolios and accounts under common control or ownership.

Moreover, in addition to the exchange fees listed elsewhere in this Prospectus, the SICAV may impose a penalty of 2.00% of the Net Asset Value of the Shares redeemed or exchanged where the SICAV reasonably believes that an investor has engaged in market timing activity. The Shareholders concerned will be warned in advance if such a fee is likely

to be charged and that penalty shall be credited to the relevant Portfolio. The Directors will not be held liable for any loss resulting from rejected orders or mandatory redemption.

Late trading is not allowed by the SICAV.

## Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value

All subscriptions, redemptions or exchanges will be done on the Net Asset Value next calculated after the order is received (*e.g.* an unknown Net Asset Value).

The SICAV may suspend the determination of the Net Asset Value, the issue of Shares and the right of any Shareholder to require redemption or exchange of Shares of any Portfolio:

- (a) During any period when any principal stock exchange, Regulated Market or any Other Regulated Market in a Member State or in an Other State on which a substantial part of the SICAV's investments attributable to such Portfolio is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Portfolio is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- (b) Political, economic, military, monetary or other emergency beyond the control, liability and influence of the SICAV makes the disposal of the assets of any Portfolio impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders; or
- (c) During any breakdown in the means of communication network normally employed in determining the price of any of the relevant Portfolio's investments or the current prices on any market or stock exchange or any other reason makes it impossible to determine the value of a major portion of the assets of any Portfolio; or
- (d) During any period when the remittance or transfer of monies which will or may be involved in the realisation of, or in the payment of the relevant Portfolio's investments or in the redemption of Shares is not possible or where it can be objectively demonstrated that purchases and sales of the assets of any Portfolio cannot be effected at normal prices; or
- (e) In case of a decision to liquidate the SICAV or a Portfolio on and after the day of publication of the first notice convening the general meeting of Shareholders for this purpose or notice given by the Board to this effect, as applicable; or
- (f) When the NAV calculation of a UCI or Portfolio in which a Portfolio has invested more than 50% of its NAV is suspended.

The SICAV shall suspend the issue, exchange and redemption of Shares of any Class within a Portfolio forthwith upon occurrence of an event causing it to enter into liquidation or upon the order of the Regulatory Authority.

Any suspension shall be published, if appropriate, by the SICAV and Shareholders requesting subscription, exchange or redemption of their

Shares shall be notified by the SICAV of the suspension at the time of the filing of the written request for such subscription, exchange and redemption. The suspension as to any Portfolio will have no effect on the determination of Net Asset Value and the issue, redemption or exchange of Shares in any Class of the other Portfolios.

## Dividend Policy

The policy of the SICAV in respect of all Share Classes of Portfolios, with the exception of Classes whose denomination ends in 'P' or 'C', is to make no distributions, to accumulate in such Portfolios all net earnings and to reinvest these within the same Portfolio and Class. In respect of Classes whose denomination ends in 'P' or 'C', the SICAV intends to make distributions, with a frequency, at least annually, and in an amount to be determined by the Directors. The Shareholders of these Share Classes have the option to receive the dividend or to reinvest it in the SICAV. Reinvestment of dividends is not permitted for B Shares.

## Tax Considerations

### General

This section is based on the Directors' understanding of the law and practice currently in force in Luxembourg and is subject to changes therein. It should not be taken as constituting legal or tax advice and investors are advised to obtain information and, if necessary, advice regarding the laws and regulations applicable to them by reason of the subscription, purchase, holding and realisation of Shares in their countries of origin, residence or domicile.

### A. The SICAV

Under current law and practice, the SICAV is not liable to any Luxembourg income tax. Dividends, interest and capital gains received by the SICAV on portfolio investments may be subject to non-recoverable withholding taxes in the countries of origin.

The SICAV is subject to a tax of 0.05% per annum levied on the Net Asset Value at the last day of each calendar quarter in accordance with the 2010 Law. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Share Classes which are only sold to and held by Institutional Investors. In addition, those Portfolios which invest exclusively in deposits and money market instruments in accordance with the Luxembourg Law are liable to the same reduced tax rate of 0.01% per annum of their net assets.

The 0.01% and 0.05% rates described above, as appropriate, are not applicable for the portion of the assets of the SICAV invested in other Luxembourg collective investment undertakings which are themselves subject to the asset based taxes ("*taxe d'abonnement*").

For the avoidance of doubt, this *taxe d'abonnement* forms part of the Operating Expenses.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the SICAV. Although the SICAV's realised capital gains, whether short-or-long-term, are not expected to become taxable in another country, the Shareholders must be aware and recognise that such a possibility is not totally excluded.

The tax laws and regulations in the investee countries may be subject to change. The application and enforcement of foreign withholding tax laws and regulations could have a significant adverse effect on the SICAV and its Shareholders, particularly in relation to US withholding tax if imposed upon foreign investors. The SICAV reserves the right to provide for foreign withholding tax on sub-funds investing in those jurisdictions which imposed foreign withholding tax. As any provision made by the SICAV will be based on current market expectations and the SICAV's understanding of the tax laws and regulations, any changes to market practice or interpretation of tax rules may impact this provision and may result in this provision being higher or lower than required. The SICAV does not currently intend to make any accounting provisions for these tax uncertainties. It is possible that new tax laws and regulations and any new interpretations may be applied retrospectively.

### B. Shareholders

Under current legislation, non-resident Shareholders are not subject to any capital gains or income tax in Luxembourg except for those who maintain a permanent establishment in Luxembourg to which the share capital of the SICAV is allocated. Corporate Shareholders resident in Luxembourg, or having a permanent establishment in Luxembourg to which the Shares are allocated, are subject to tax in Luxembourg on the amount of the distribution made by the SICAV and on capital gains realised at the ordinary applicable corporate income tax rate.

Individual Shareholders domiciled or resident in Luxembourg are subject to personal tax in Luxembourg on the amount of the distribution made by the SICAV at a progressive rate. They are only subject to tax on capital gains realised on disposal of their Shares if (i) they personally or by attribution hold, or have held at any time during the last 5 years, 10% or more of the issued share capital of the SICAV or (ii) dispose of all or part of their holdings within six months from the date of acquisition or before their acquisition.

### C. Foreign Account Tax Compliance Act

Luxembourg has entered into a Model 1 Intergovernmental Agreement with the United States. The terms of the Intergovernmental Agreement ("IGA") state that the SICAV as a financial institution will be obliged to comply with the provisions of FATCA under the terms of the Luxembourg legislation implementing the IGA, rather than under the US Treasury Regulations implementing FATCA.

Under the Luxembourg IGA, the SICAV will be required to report to the Luxembourg tax authorities certain holdings by and payments made to a) certain US investors b) certain US controlled foreign entity investors and c) non-US financial institution investors that do not comply with the terms of the Luxembourg IGA legislation. Under the Luxembourg IGA, such information will be onward reported by the Luxembourg tax authorities to the US Internal Revenue Service under the general information exchange provisions of the US-Luxembourg tax treaty.

The scope and application of FATCA withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, Luxembourg and other IGA governments, and rules may change. Investors

should contact their own tax advisers regarding the application of FATCA to their particular circumstances.

The SICAV intends, within its rules as included within this prospectus, to be fully compliant with the terms of the Luxembourg IGA.

#### **D. Common Reporting Standard**

With a mandate by the G8/G20 countries the OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") in the future on a global basis. The CRS will require the SICAV as a Luxembourg financial institution to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Shareholders may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

Under the Luxembourg law of 18 December 2015 implementing the EU Directive on AEOI, the first exchange of information is applied by 30 September 2017 for information related to the year 2016. Accordingly, the SICAV is committed as of 1 January 2016 to run additional due diligence process on its Shareholders and to report the identity and residence of shareholders (including certain entities and their controlling persons) as well as relevant financial account information, to the Luxembourg tax authorities which will transmit that information to the country of residence of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable.

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

#### **Restrictions on Ownership**

The Articles permit to restrict or prevent the ownership of Shares of each Portfolio by any person, firm or corporate body including, but without limitation, any United States Person.

If it shall come to the attention of the SICAV at any time that Shares of any Portfolio are beneficially owned by a United States Person either alone or in conjunction with any other person, the SICAV will compulsorily redeem such Shares at their redemption price as described herein. Not less than ten days after the SICAV gives notice of such compulsory redemption, the Shares will be redeemed and Shareholders will cease to be the owners of such Shares.

The Institutional Share Classes are available only to Institutional Investors.

S Shares are exclusively available to Shareholders subscribing through certain select sub-distributors.

#### **Meetings and Reports**

The annual general meeting of Shareholders of the SICAV is held in Luxembourg on the last Friday in July in each year at 2.00 p.m. (or if such a day is a legal holiday on the next following Business Day). Other general meetings of Shareholders may be held at such time and place in Luxembourg as are indicated in the notices of such meetings. Notices of general meetings are given in accordance with Luxembourg law and in accordance with applicable rules in the relevant countries where Shares are publicly offered for sale. Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements.

An annual report containing the audited financial accounts of the SICAV, describing those of each Portfolio, will be made available to Shareholders in respect of the preceding fiscal year ended 31 March, at least 15 days before the annual general meeting. Unaudited semi-annual reports will also be made available to Shareholders at the registered office of the SICAV in respect of the period ending on 30 September in each year within two months thereafter. The consolidated accounts of the SICAV shall be expressed in U.S. Dollar.

The SICAV also intends to make available to Shareholders and potential investors abridged versions of the financial reports referred to above, which will not contain the detailed list of portfolio securities of each of the Portfolios. Such abridged annual reports and abridged semi-annual reports will, however, contain the offer to provide to those persons upon request and free of charge a copy of the complete version of such documents which are also available for inspection at the offices of the Registrar and Transfer Agent and the Management Company.

The Shareholders of a specified Portfolio may, at any time, hold general meetings with the aim to deliberate on a subject that concerns only the Portfolio.

The Shareholders of any Class of Shares, issued in respect of any Portfolio may hold, at any time, general meetings to decide on any matters, which relate exclusively to such Class of Shares.

Unless otherwise stipulated by law or in the Articles, the decision of the general meeting of a specified Portfolio or Class of Shares will be reached by a simple majority of Shareholders present or represented.

#### **Service Providers**

##### **Auditor**

PricewaterhouseCoopers, *société coopérative*, 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg act as Auditor.

##### **Registrar and Transfer Agent**

The Management Company has undertaken to provide the SICAV with registrar and transfer agent services. As such the Management Company will be responsible for handling processing of subscriptions of Shares, dealing with requests for redemption and conversion, and accepting transfers of funds, for the safekeeping of the register of Shareholders of the SICAV and the safekeeping of all non-issued Share certificates of the SICAV.

The Management Company has delegated the registrar and transfer agent services to International Financial Data Services (Luxembourg) S.A., 47, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, pursuant to the Registrar and Transfer Agency Agreement. This agreement has been entered into for an unlimited duration and may be terminated as provided in such agreement.

### **Domiciliary and Administrative Agent**

The Management Company has undertaken to provide the SICAV with certain administration services, including general administration as well as bookkeeping and maintenance of all accounts of the SICAV, the periodic determination of the Net Asset Value per Share, the preparation and filing of the SICAV's financial reports and the liaison with the Auditors.

In addition, the Management Company will, under the terms of the Management Company Services Agreement act as corporate and domiciliary agent for the SICAV.

The Management Company has delegated the above mentioned domiciliary and administrative functions to the Domiciliary and Administrative Agent pursuant to the Investment Fund Services Agreement. Pursuant to a restructuring event which took place under Directive 2005/56/EC on 1 January 2016, all contractual obligations of Citibank International Limited (Luxembourg Branch) (the former domiciliary and administrative agent) were transferred by way of operation of law to the Domiciliary and Administrative Agent. The Investment Fund Services Agreement was concluded for an unlimited duration and may be terminated as provided therein.

## **Depositary**

### **Information about the Depositary**

The SICAV has appointed the Depositary as its depositary. Pursuant to a restructuring event which took place under Directive 2005/56/EC on 1 January 2016, all contractual obligations of Citibank International Limited (Luxembourg Branch) (the former custodian) were transferred by way of operation of law to the Depositary. The Depositary is a public limited company with registered number 132781 domiciled in Ireland whose registered office is at 1 North Wall Quay, Dublin 1. The Depositary conducts its principal business in Luxembourg from its branch office at 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg. Its Luxembourg branch was established on 20 August 2015 and is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 200.204. Citibank Europe plc, Luxembourg Branch is authorised to provide its services in accordance with the Luxembourg law of 5 April 1993 on the financial sector, as amended, and is specialised in fund depositary and administration services.

The Depositary is authorised by the Central Bank of Ireland but in respect of its services as depositary in Luxembourg is regulated by the CSSF.

### **Terms of the Depositary Agreement**

The appointment of the Depositary has been made under a Depositary Agreement between the SICAV, the Management Company and the Depositary dated 3 June 2016.

The Depositary Agreement may be terminated by not less than 180 days' written notice, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the SICAV shall with due observance of the applicable requirements of the CSSF and in accordance with applicable law, rules and regulations, appoint a successor depositary. The Depositary may not be replaced without the approval of the CSSF.

The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

The Depositary is entitled to receive remuneration out of the assets of the SICAV for its services. This remuneration is included in the portfolio operating expenses, as explained in the section entitled "Fees and Expenses".

### **Key duties of the Depositary**

The SICAV has, under the terms of the Depositary Agreement, engaged the Depositary as depositary of the SICAV's assets. The Depositary shall also be responsible for the oversight of the SICAV to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

The key duties of the Depositary consist of:

- (i) monitoring and verifying the cash flows of the SICAV;
- (ii) safekeeping of the assets of the SICAV including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- (iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with the Articles and applicable Luxembourg law, rules and regulations;
- (iv) ensuring that the value of the Shares is calculated in accordance with the Articles and applicable Luxembourg law, rules and regulations;
- (v) ensuring that in transactions involving the assets of the SICAV, any consideration is remitted to the SICAV within the usual time limits;
- (vi) ensuring that the income of the SICAV is applied in accordance with the Articles, applicable Luxembourg law, rules and regulations; and
- (vii) carrying out instructions from the Management Company unless they conflict with the Articles, or applicable Luxembourg law, rules and regulations.

### **Reuse of the SICAV's assets by the Depositary**

Under the Depositary Agreement, the Depositary has agreed that it, and any person to whom it delegates custody functions, may not reuse any of the SICAV's assets for their own account.

SICAV's assets may be reused for the account of the SICAV where:

- The reuse of the SICAV's assets is carried out for the account of the SICAV;
- The Depositary is instructed by the SICAV or the Management Company on behalf of the SICAV to reuse the SICAV's assets;
- The reuse of the assets is for the benefit of the SICAV and the Shareholders;
- The transaction is covered by high quality and liquid collateral received by the SICAV under a title transfer arrangement;
- The market value of which shall, at all times, amount to at least the market value of the reused assets plus a premium.

### Liability of the Depositary

As a general rule the Depositary is liable for any losses suffered as a result of the Depositary's negligence, fraud or willful default to properly fulfil its obligations except that it will not be liable for any loss where, among others:

- (i) the event which has led to the loss is not the result of any act, omission or default of the Depositary or of one of the Depositary's delegates;
- (ii) it is due to a force majeure event; or
- (iii) it results from the insolvency of the SICAV, the Management Company or any other person.

However, in the case of loss of a financial instrument by the Depositary, or by a third party, the Depositary is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

### Delegation of safekeeping function

- (1) Under the terms of the Depositary Agreement and in accordance with the 2010 Law, the Depositary has the power to delegate certain of its depositary functions.
- (2) In order to discharge its responsibility in this regard, the Depositary must exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; maintain an appropriate level of supervision over the safekeeping agent; and make appropriate inquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.

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

The use of securities settlement systems, does not constitute a delegation by the Depositary of its functions.

- (3) As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the SICAV's assets to delegates and sub-delegates set out in Appendix M to this Prospectus. An updated list of those delegates and sub-delegates can be obtained from the Depositary upon request.
- (4) Without prejudice to the "Conflicts of Interest" section below, from time to time actual or potential conflicts may arise between the Depositary and its delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the SICAV.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any actual or potential conflict of interest involving its delegates or sub-delegates.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favorable to the SICAV than if the conflict or potential conflict had not existed.

### Conflicts of interest

Actual or potential conflicts of interest may also arise between the SICAV, the Shareholders or the Management Company on the one hand and the Depositary on the other hand.

For example, such actual or potential conflict 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 SICAV or the Management Company. In particular, depositary and administration services are provided by the same legal entity, Citibank Europe plc, Luxembourg Branch. In practice, however, the depositary and administration lines of business are functionally and hierarchically separated and operate on an arm's length basis. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the SICAV, or may have other clients whose interests may conflict with those of the SICAV, 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 with the Depositary's duty to the SICAV. This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the SICAV; provides broking services to the SICAV and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the SICAV; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the SICAV; or earns profits from or has a financial or business interest in any of these activities.



The group-wide conflict of interest policy provides that Citi manages conflicts through various policies, procedures and/or processes, which may, depending upon the conflict, include prevention or avoidance of conflicts, or appropriate disclosures, establishing information barriers, restructuring transactions, products or processes, and/or changing compensation incentives. The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

In accordance with Luxembourg law, Shareholders may request an up to date statement regarding any of the information set out above from the Depositary.

## Shariah Portfolio

Investors in the Shariah Portfolio should note that additional service providers have been appointed in respect of this Portfolio and they should refer to Appendix B.II for further information about those service providers.

## Data Protection

The SICAV collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription ("Personal Data"). Personal Data will be used by the SICAV for maintaining the register of Shareholders, processing Shareholder transactions and dividends, and complying with its legal and regulatory obligations. The SICAV will delegate the processing of Personal Data to various entities (the "Processors") located either in the European Union or in countries outside the European Union including the Management Company, the Administrative Agent and the Registrar and Transfer Agent, and undertakes not to transfer the Personal Data to any other third parties, unless required by law or upon Shareholder consent. Communication of Personal Data in countries outside the European Union implies the transfer of data to a country that may not provide legal protection of Personal Data equivalent to that of Luxembourg. The Shareholder has a right to access and correct its Personal Data, in case of error, upon request. The SICAV will maintain Personal Data for such periods as may be required by law.

The data processing is more fully detailed in any initial relationship document executed by the Shareholders (*e.g.* the application form).

## UN Convention on Cluster Munitions

The UN Convention on Cluster Munitions (the "Convention") came into force on 1 August 2010. This Convention prohibits all use, stockpiling, production and transfer of cluster munitions. The Management Company and the Sub-Advisors acknowledge the importance of the Convention and the Sub-Advisors actively screen companies for evidence of their corporate involvement in not only cluster munitions but also in controversial weapons more generally, (defined as anti-personnel mines, cluster munitions, biochemical weapons and depleted uranium ammunition and armour). Where a company is verified to undertake such

activities, the Sub-Advisors' policy is not to invest in the securities issued by that company; however they reserve the right to take short positions on such securities.

## Documents Available for Inspection

Copies of the following contracts, which are governed by the laws of Luxembourg and are incorporated herein by reference, are available for inspection during normal business hours at the registered office of the SICAV:

- (a) the Management Company Services Agreement;
- (b) the Depositary Agreement;
- (c) the Investment Fund Services Agreement; and
- (d) the Registrar and Transfer Agency Agreement.

The Agreements listed above may be amended at any time by mutual consent of the parties thereto.

A copy of the Prospectus, Key Investor Information, the most recent financial statements and the Articles may be obtained free of charge upon request at the registered office of the SICAV.



## Appendix A

### Investment Restrictions

The SICAV shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Portfolio, the Base Currency, as the case may be, and the course of conduct of the management and business affairs of the SICAV.

Except to the extent that more restrictive rules are provided for in connection with a specific Portfolio under "Investment Objectives and Policies" in the Prospectus, the investment policy of each Portfolio shall comply with the rules and restrictions laid down hereafter:

#### A. Investments in the Portfolios shall consist solely of:

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange of an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Other State or on a Regulated Market or on any Other Regulated Market as described under (1)-(3) above;
  - such admission is secured within one year of issue;
- (5) units of UCITS authorised according to the UCITS Directive (including shares of other Portfolios of the SICAV under the conditions set forth by Luxembourg laws and regulations) and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in a Member State or in an Other State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and short sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the 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 net 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;
- (6) 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 Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law;
- (7) financial derivative instruments, *i.e.* in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - (i) the underlying consists of instruments covered by this Section A., financial indices, interest rates, foreign exchange rates, Transferable Securities or currencies, in which the Portfolio may invest according to its investment objectives; the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority, and
  - (ii) 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 SICAV's initiative;

under no circumstances shall these operations cause the Portfolio to diverge from its investment objectives;
- (8) Money Market Instruments other than those dealt on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with

prudential rules considered by the Regulatory 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 Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the three paragraphs directly above and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with 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.

#### **B. Each Portfolio may however:**

- (1) Invest up to 10% of its net assets in assets other than those referred to above under A(1) through (4) and (8);
- (2) Hold cash on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the SICAV considers this to be in the best interest of the Shareholders;
- (3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Such borrowings may be used for liquidity purposes (e.g. to cover cash shortfall caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of the relevant Portfolio may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by Article 181(5) of the 2010 Law. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute “borrowings” for the purpose of this restriction;
- (4) Acquire foreign currency by means of a back-to-back loan.

#### **C. In addition, the SICAV shall comply in respect of the net assets of each Portfolio with the following investment restrictions per issuer:**

##### **(a) Risk Diversification rules**

For the purpose of calculating the restrictions described in (1) to (5), (8), (9), (13) and (14) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple portfolios where the assets of a portfolio are exclusively reserved to the investors in such portfolio and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that portfolio, each portfolio is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

##### **• Transferable Securities and Money Market Instruments**

- (1) No Portfolio may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:
  - (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of one single issuer; or
  - (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in each of which it invests more than 5% of its net assets would exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- (2) A Portfolio may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).
- (4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying debt securities. For the purposes hereof, “qualifying debt securities” are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Portfolio invests more than 5% of its net assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Portfolio.
- (5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).
- (6) **Notwithstanding the ceilings set forth above, each Portfolio is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member state of the OECD such as the United States or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Portfolio.**

(7) Without prejudice to the limits set forth hereunder under (b), the limits set forth in (1) are raised to a maximum of 20 % for investments in stocks and/or bonds issued by the same body when the aim of the Portfolio's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

• **Bank Deposits**

(8) A Portfolio may not invest more than 20% of its net assets in deposits made with the same body.

• **Derivative Instruments**

(9) The risk exposure to a counterparty in an OTC derivative transaction, including total/excess return swaps transactions, may not exceed 10% of the Portfolio's net assets when the counterparty is a credit institution referred to in A. (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made, and within the limits set forth in (2), (5) and (14), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Portfolio invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of A (7) (ii) and C (a) (10) and (D) hereunder as well as with the risk exposure and information requirements laid down in the sales documents of the SICAV.

• **Units of Open-Ended Funds**

Under the Law, no Portfolio may invest more than 20% of its net assets in the units of a single UCITS or other UCIs. However, the Portfolios will limit their investment in units of UCITS or other UCIs to 10% of their net assets unless otherwise specified within the Portfolio's investment objective and policy.

(12) For the purpose of the application of this investment limit, each portfolio of a UCI with multiple portfolios within the meaning of Article 181 of the 2010 Law is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various portfolios vis-à-vis third parties is ensured. Investments made in units

of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Portfolio.

When a Portfolio has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in (1) to (5), (8), (9), (13) and (14).

When a Portfolio invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or any appointed Sub-Advisor or by any other company with which the Management Company or any appointed Sub-Advisor is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or any appointed Sub-Advisor or other company may not charge subscription or redemption fees on account of the Portfolio's investment in the units of such other UCITS and/or UCIs.

A Portfolio that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the Prospectus the maximum level of the asset management fee that may be charged both to the Portfolio itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report, the SICAV shall indicate the maximum proportion of asset management fee charged both to the Portfolio itself and to the UCITS and/or other UCIs in which it invests.

• **Combined limits**

(13) Notwithstanding the individual limits laid down in (1), (8) and (9) above, a Portfolio may not combine:

- investments in Transferable Securities or Money Market Instruments issued by;
- deposits made with, and/or;
- exposures arising from OTC derivative transactions undertaken,

with a single body in excess of 20% of its net assets.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of each Portfolio of the SICAV.

(b) **Limitations on Control**

(15) No Portfolio may acquire such amount of shares carrying voting rights which would enable the SICAV to exercise a significant influence over the management of the issuer.

(16) Neither any Portfolio nor the SICAV as a whole may acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCITS and/or UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organised pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Portfolio in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investment policy the restrictions set forth under C., items (1) to (5), (8), (9) and (12) to (16); and
- shares in the capital of subsidiary companies which, exclusively on behalf of the SICAV carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of Shares at the request of Shareholders.

**D. In addition, the SICAV shall comply in respect of its assets with the following investment restrictions per instrument:**

Except as otherwise stated therein, each Portfolio shall ensure that its Global Exposure relating to financial derivative instruments does not exceed its total net value.

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.

**E. Finally, the SICAV shall comply in respect of the assets of each Portfolio with the following investment restrictions:**

- (1) No Portfolio may acquire commodities or precious metals or certificates representative thereof. For the avoidance of doubt, transactions in foreign currencies, financial instruments, indices, or Transferable Securities as well as futures and forward contracts, options and swaps are not considered as commodities for the purposes of this restriction.
- (2) No Portfolio may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- (3) No Portfolio may issue warrants or other rights to subscribe for its Shares.

- (4) A Portfolio may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Portfolio from investing in non fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A., items (5), (7) and (8).

- (5) The SICAV may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

**F. Notwithstanding anything to the contrary herein contained:**

- (1) The ceilings set forth above may be disregarded by each Portfolio when exercising subscription rights attaching to Transferable Securities and Money Market Instruments in such Portfolio's portfolio.
- (2) If such ceilings are exceeded for reasons beyond the control of a Portfolio or as a result of the exercise of subscription rights, such Portfolio must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

The SICAV has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the SICAV are offered or sold.

**G. Global Exposure and Risk Management**

In accordance with CSSF Circular 11/512 and article 13 of CSSF Regulation 10-4, the SICAV must employ a risk management process which enables it to monitor and measure at any time the risk of the positions in its Portfolios and their contribution to the overall risk profile of its Portfolios.

In relation to financial derivative instruments the SICAV must employ a process (or processes) for accurate and independent assessment of the value of OTC derivatives and the SICAV shall ensure for each Portfolio that its Global Exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

Except as otherwise noted below, each Portfolio may invest, according to its investment policy and within the limits laid down in Appendix A and in Appendix B in financial derivative instruments (including options, forwards, futures and/or swaps (including credit default swaps, credit default swaps on loans, interest rate swaps and total/excess return swaps) on Transferable Securities and/or any financial instruments and currencies) provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Appendix A. Certain Portfolios may use financial derivative instruments as a principal investment objective, as more fully described in the investment policy of each relevant Portfolio. Shareholders should be aware that the use of derivative instruments as a principal investment objective carries a greater degree of risk.

When a Portfolio invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in Appendix A item C(a)(1)-(5), (8), (9), (13) and (14).

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 Section.

Whenever risk management processes adequate to perform the functions described above are employed on behalf of the SICAV by the Management Company and/or Sub-Advisors in managing the Portfolios, they are deemed to be employed by the SICAV.

As a consequence of the above, the Management Company has implemented procedures to ensure that all the day-to-day duties concerning active risk management of the Portfolio(s) are being carried out by the Sub-Advisors and Depositary. The oversight process is performed by the conducting officer(s) of the Management Company (the "Conducting Officers") and the investment risk committee ("RMC"). These individuals along with other resources monitor reports that are provided by the Sub-Advisors as well as the Depositary. Such reports are at a minimum received monthly. The individuals involved in such risk management monitoring are located in London at Threadneedle Asset Management Limited. All relevant documents are made available to a Luxembourg-resident Conducting Officer(s).

Information about the risk management process used by the Management Company to monitor and measure the risk of the positions and their contribution to the overall risk profile of each Portfolio is set out in the "Risk Factors" section of this Prospectus.

In addition to the above:

- (1) The SICAV will not make direct investments in Russia (*i.e.*, Russian securities that are physically deposited with Russian transfer agents) which exceed 10% of the Net Asset Value of each Portfolio, at the time of purchase except for Transferable Securities and Money Market Instruments which are listed or traded on the MICEX-RTS exchange, which is recognised as an Other Regulated Market.
- (2) For so long as the sale of Shares in a Portfolio is authorised in Taiwan and to the extent the Taiwan regulations continue to so require, the total value of the non offset short position in derivatives for hedging purpose shall not exceed the total market value of the relevant securities held by the Portfolio and the risk exposure of the non offset long position in derivatives for purposes of increase of investment efficiency shall not exceed 40% of the Net Asset Value of the Portfolio.

(3) Important information for Italian investors-

The local documents that Italian investors receive prior to subscribing in Shares may provide:

- (a) the ability for investors to appoint a distributor or a local paying agent to send orders in its own name on behalf of the investors and to be recorded as holder of the Shares on behalf of the effective underlying Shareholder (a so called nominee arrangement); and/or
- (b) the possibility for local paying agents to charge a fee to investors in relation to the execution and subscription, redemption and/or exchange transactions; and/or

- (c) the possibility for Italian investors to subscribe the SICAV shares through regular saving plans.
- (4) For investors in France, the Pan European Equities, Pan European Small Cap Opportunities, UK Equities Portfolio and UK Equity Income Portfolios are an eligible investment for a *plan d'épargne en actions* ("PEA"). This means the Portfolios have at least 75% of its Net Asset Value invested in the equity of corporate issuers with their registered office in an EEA country.

The Directors reserve the right to cease managing the above Portfolios so that they are eligible for investment through a PEA should it determine that doing so would no longer enable the Portfolios to comply with its investment objectives, not be in the interests of all Shareholders in the Portfolios or be impractical due to changing market conditions. Should the Directors decide to cease managing the Portfolios so they are eligible for investment through a PEA, the Directors will notify the registered Shareholders resident in France at least one month in advance of the Portfolios ceasing to be managed to be eligible for investment through a PEA.

(5) Information for investors in Spain

The SICAV is duly authorised for its marketing in Spain under registered number 177 for such purposes with the Register of Foreign Collective Investment Schemes of the Comisión Nacional del Mercado de Valores (CNMV), in accordance with section 15.2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes, as amended.

*Definition of the Expression "Connected Person"*

The expression "Connected Person" in relation to the SICAV, any Sub-Advisor appointed by the SICAV or the Management Company (a "Sub-Advisor") or any company appointed for the purpose of distributing Shares or the Depositary (the relevant such SICAV being referred to below as "the relevant SICAV") means:

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of the relevant SICAV, or able to exercise directly or indirectly 20% or more of the total votes in the relevant SICAV;
- (b) any person or company controlled by a person who falls within (a) above;
- (c) any company 20% or more of whose ordinary share capital is beneficially owned, directly or indirectly, by the relevant company and each of the others of the Management Company and Sub-Advisor and taken together or by the Depositary and any company 20% or more of the total votes of which can be exercised, directly, or indirectly by the relevant SICAV and each of the others of the Management Company and Sub-Advisor taken together or by the Depositary; and
- (d) any director or officer of the relevant SICAV or any Connected Person of the relevant SICAV, as defined in (a), (b) or (c) above.



## Appendix B.I

### Investment Techniques and Instruments

The SICAV may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management and hedging purposes within the conditions and limits of the relevant Regulatory Authority regulation.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in Appendix A “Investment Restrictions”.

Under no circumstances shall these operations cause a Portfolio to diverge from its investment objectives as laid down under “Investment Objectives and Policies” in the Prospectus.

The techniques and instruments that may be used include, without being limited to, the following:

#### I. Credit Default Swaps, interest rate swaps and total/excess return swaps

Some Portfolios may enter into credit default swaps:

A credit default swap is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between the par value and the market price of the said bond or other designated reference obligations when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.

Provided it is in its exclusive interest, the relevant Portfolios may sell protection under credit default swaps (individually a “credit default swap Sale Transaction”, collectively the “credit default swap Sale Transactions”) in order to acquire a specific credit exposure.

In addition, the relevant Portfolios may, provided it is in its exclusive interest, buy protection under credit default swaps (individually a “credit default swap Purchase Transaction”, collectively the “credit default swap Purchase Transactions”) without holding the underlying assets.

Such swap transactions must be effected with first class financial institutions specialising in this type of transaction and executed on the basis of standardised documentation such as the International Swaps and Derivatives Association (ISDA) Master Agreement.

The relevant Portfolios must ensure adequate coverage of commitments linked to such credit default swap and maintain sufficient liquidity to honor redemption requests from investors.

Furthermore, some Portfolios may enter into interest rate swaps and total/excess return swaps.

A total/excess return swap is a transaction in which one party (“the First Party”) makes an initial payment equal to the value of a loan, debt security or other financial instrument (the “Reference Obligation”) issued, guaranteed or otherwise entered into by a third party (the “Reference Entity”) to the other party (“the Second Party”). The Second Party shall pay to the First Party any interest, dividend and fee payments, as applicable, on the Reference Obligation and the market value of the Reference Obligation at the maturity of the transaction (this will typically, absent default or another referenced event, be the notional amount of the Reference Obligation if the total/excess return swap is linked to the maturity of the Reference Obligation).

Where a Portfolio enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the assets held by the Portfolio shall comply with the investment limits set out in Articles 52, 53, 54, 55 and 56 of the UCITS Directive. For example, when a Portfolio enters into an unfunded swap, the Portfolio’s investment portfolio that is swapped out shall comply with the aforementioned investment limits.

In accordance with Article 51(3) of the UCITS Directive and Article 43(5) of Directive 2010/43/EU, where a Portfolio enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the underlying exposures of the financial derivative instruments shall be taken into account to calculate the investment limits laid down in Article 52 of the UCITS Directive.

In addition, it shall be noted that, whenever a Portfolio uses total return swaps, the relevant counterparty(ies) shall have no discretion over the composition or management of the Portfolio’s investment portfolio or of the underlying of the financial derivative instrument; the approval of the counterparty is not required to any Portfolio investment portfolio transaction.

Such swap transactions must be effected with first class financial institutions specialising in this type of transactions.

#### II. Efficient Portfolio Management Techniques and Instruments General

The SICAV may use efficient portfolio management techniques and instruments, such as securities lending transactions, provided that they comply with the provisions of CSSF Circular 08/356 and the following rules.

Techniques and instruments relating to Transferable Securities and Money Market Instruments used for efficient portfolio management shall not:

- (a) result in a change of the declared investment objective of the Portfolio; or
- (b) add substantial supplementary risks in comparison to the risk policy as described in this Prospectus.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the SICAV. In this respect, it shall be noted that at least 87.5% of income generated



from any securities lending transaction will accrue to the relevant Portfolio. The remainder will be paid to (i) Citibank N.A. (London Branch), a company related to the Depository, which arranges the securities lending transaction and (ii) the Sub-Advisor or their respective agents for the management of, and additional administrative work involved in, entering into and monitoring securities lending transactions for the relevant Portfolios.

The use of techniques and instruments by the SICAV for efficient portfolio management shall not affect the SICAV's ability to meet, at all times, its redemption obligations.

### 1. Lending of Portfolio Securities

The SICAV may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the Regulatory Authority as equivalent to those provided by Community law, in exchange for a securities lending fee. To limit the risk of loss to the SICAV, the borrower must post in favour of the SICAV collateral representing at any time, during the lifetime of the agreement, at least 102% of the total value of the securities loaned in favour of the SICAV. The amount of collateral is valued daily to ensure that this level is maintained.

Collateral may consist of securities or instruments permissible under Luxembourg law or regulations, such as (i) liquid assets and/or (ii) sovereign OECD bonds, (iii) shares or units issued by specific money market UCIs, calculating a daily net asset value and having a rating of AAA or its equivalent (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index, (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v). Cash collateral can be reinvested in liquid assets in the manner described in CSSF circular 08/356 in shares or units of UCIs of the money market-type, calculating a daily net asset value and which have a rating of AAA or its equivalent, short-term bank deposits, money market instruments as defined in Directive 2007/16/EC of 19 March 2007, short-term bonds issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with a European Union, regional or world-wide scope, bonds issued or guaranteed by first class issuers offering an adequate liquidity and reverse repurchase agreements. Non-cash guarantees must be issued by an entity that is not affiliated with the counterparty.

The SICAV may pay fees to third parties for services in arranging such loans, as such persons may or may not be affiliated with the SICAV, the Management Company or any Sub-Advisor as permitted by applicable securities and banking law.

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, a Portfolio could experience delays in recovering

its securities and may possibly incur a capital loss. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Portfolio to the securities lending counterparty at the conclusion of the securities lending contract. The Portfolio would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Portfolio.

The counterparty risk of the SICAV vis-à-vis a single counterparty arising from one or more securities lending transaction(s) may not exceed 10% of the assets of the relevant Portfolio when the counterparty is a financial institution falling within Section A (6) of Appendix A, or 5% of its assets in all other cases.

The Portfolios of the SICAV may enter into securities lending and borrowing transactions of up to 50% of the aggregate market value of the securities in the Portfolio. The SICAV must be able at any time to recall any security that has been lent out or terminate any security lending agreement into which it has entered. In this respect, the SICAV must ensure that securities lending transactions remain within appropriate levels, or must be able to request the return of the securities on loan so that it can satisfy its redemption obligations at any time and so that these lending transactions do not jeopardise the management of the SICAV's assets in compliance with its investment policy.

The SICAV will seek to deal with counterparties from a list of approved borrowers whose short-term and long-term ratings so rated by S&P or Moody's or Fitch Ratings must not be lower than such level of short-term and long-term ratings determined by the relevant Sub-Advisor of the relevant Portfolio.

### 2. When-Issued Securities and Delayed Delivery Transactions

Each Portfolio may purchase securities on a when-issued basis, and it may purchase or sell securities for delayed delivery. These transactions occur when securities are purchased or sold by the Portfolio with payment and delivery taking place in the future to secure what is considered an advantageous yield and price to the Portfolio at the time of entering into the transactions. Each Portfolio will maintain a segregated account with its Depository of cash or liquid securities of governmental entities in an aggregate equal to the amount of its commitments in connection with such purchase transactions.

### III. Warrants

The Global Asset Allocation Portfolio, the Equity Portfolios and some Bond Portfolios may invest in warrants to purchase common stock. The gearing effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than is the case with investments in equities.

### IV. Pooling

The SICAV may invest and manage all or any part of the assets established for two or more Portfolios (for the purposes hereof "Participating Portfolios") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate in respect of the investment policy of the pool concerned) from each of the

Participating Portfolios. Thereafter, the SICAV may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Portfolio up to the amount of the participation of the Portfolio concerned. The share of a Participating Portfolio in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the SICAV shall determine the initial value of notional units (which shall be expressed in such currency as the SICAV may consider appropriate) and shall allocate to each Participating Portfolio notional units having an aggregate value equal to the amount of cash (or the value of other assets) contributed. Thereafter, the value of the units shall be determined by dividing the net assets of the asset pool by the number of notional units existing.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of notional units of the Participating Portfolio concerned will be increased or reduced, as the case may be, by a number of notional units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit in such asset pool. Where a contribution is made in cash, it may be treated for the purpose of this calculation as reduced by an amount which the SICAV considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding deduction may be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature earned in respect of the assets in an asset pool will be applied to such asset pool and cause the respective net assets to increase. Upon the dissolution of the SICAV, the assets in an asset pool will be allocated to the Participating Portfolios in proportion to their respective participation in the asset pool.

## Appendix B.II

### Shariah Portfolio

This Appendix only applies to the Shariah Portfolio. Please refer to section IV of this Appendix on page 60 for definitions of terms applicable to the Shariah Portfolio that are not defined elsewhere in this Prospectus.

Shareholders are reminded that it is strongly recommended to seek the advice of a duly licensed expert or adviser about the contents of the Prospectus before deciding to subscribe to the Shariah Portfolio.

#### I. Shariah Guidelines

##### *Investment policy*

The Shariah Portfolio invests in Shariah-compliant securities and other Shariah-compliant assets as described in the paragraph relating to the Shariah Portfolio in the “*Investment Objectives and Policies*” section. The investment objective and policy of the Shariah Portfolio are subject to their compliance with the Shariah Guidelines set out herein.

The Shariah Portfolio shall at all times be managed in accordance with the guidelines below, which apply in addition to the investment restrictions specified in Appendix A. In general, Shariah-compliant investment refers to contractual arrangements and investment guidelines that are in compliance with Shariah (as such, these guidelines shall be determined by the Shariah Supervisory Board). Subject to its investment objective and policy, the Shariah Portfolio may only invest in transferable securities of companies whose business is permissible (*Halal*) and therefore may not invest in the sectors that are listed under the sub-section with the heading “Prohibited Activities” (see below).

##### *Use of derivatives and efficient portfolio management techniques*

Subject to the limits set forth in Appendix A “Investment Restrictions” and the Shariah Guidelines that are described below, the SICAV may, with respect to the Shariah Portfolio, invest in Shariah-compliant financial derivative instruments provided that: (a) these are economically appropriate in that they are realised in a cost-effective way; (b) they are entered into for reduction of risk and (c) the risks are adequately captured by the risk management process of the Shariah Portfolio. In addition to their investment objectives and policies, the Shariah Portfolio may employ the investment practices described under the section of this Prospectus with the heading “Other Investment Practices” and in Appendix A “Investment Restrictions” and Appendix B “Investment Techniques and Instruments”.

Unless the Prospectus is amended otherwise, the Sub-Advisor may not use financial derivative instruments for investment purposes.

##### *Ancillary investments and temporary defensive measures*

The Shariah Portfolio may, on an ancillary basis, hold Shariah-compliant liquid assets when the Sub-Advisor believes they offer more attractive opportunities or as a temporary defensive measure in response to adverse market, economic, political, or other conditions, or to meet liquidity, redemption, and short-term investing needs. In exceptional market circumstances and on a temporary basis only, 100% of any Shariah Portfolio’s net assets may be invested in Shariah-compliant liquid assets, with due regard to the principle of risk spreading. Such assets may be kept in the form of Shariah-compliant cash deposits or Money Market Instruments.

#### A. Shariah-Compliance Screening

A Shariah Stock Screening Provider (as further described in the section with the heading “Service Providers” below) will perform Shariah stock screening on the basis of the criteria set out below.

In addition, the Shariah Supervisory Board has been appointed in order to review the compliance of certain investments as may be requested from time to time by the Sub-Advisor and to conduct a semi-annual Shariah audit on the Shariah Portfolio’s investments.

The criteria specifically agreed upon for the stocks screening include the following:

##### *Business Activities Screening:*

Investment in companies generating operating revenue from any of the following activities where such activities represent more than 5% of their revenue in total is not permitted. Such activities are deemed to be “*prohibited activities*”. Revenue that Islamic financial institutions derive from financial services will not be considered to be revenue from a prohibited activity. Islamic financial institutions will not be subject to Financial Screening as outlined in the section “*Financial Screening*” below.

##### *Prohibited Activities:*

- Alcohol: distillers, vintners and producers of alcoholic beverages, including producers of beer and malt liquors, owners and operators of bars and pubs.
- Tobacco: cigarettes and other tobacco products manufacturers and retailers.
- Gambling/Casino: owners and operators of casinos and gaming facilities, including companies providing lottery and betting services.
- Music: producers and distributors of music, owners and operators of radio broadcasting systems.
- Cinema: companies engaged in the production, distribution, and screening of movies and television shows, owners and operators of television broadcasting systems and providers of cable or satellite television services.
- Defense/Weapons: manufacturers of military aerospace and defense equipment, parts or products, including defense electronics and space equipment.
- Pork related products: companies involved in the manufacture and retailing of pork products.
- Conventional Financial Services: commercial banks involved in retail banking, corporate lending, investment banking; companies involved in mortgage and mortgage related services; providers of financial services, including insurance, capital markets and specialised finance; credit agencies; stock exchanges; specialty boutiques; consumer finance services, including personal credit, credit cards,

lease financing, travel-related money services and pawn shops; financial institutions primarily engaged in investment management, related custody and securities fee-based services; companies operating mutual funds, closed-end funds and unit investment trusts; financial institutions primarily engaged in investment banking and brokerage services, including equity and debt underwriting, mergers and acquisitions; securities lending and advisory services institutions; and insurance and reinsurance brokerage firms, including companies providing property, casualty, life, disability, indemnity or supplemental health insurance.

- Adult Entertainment: owners and operators of adult entertainment products and activities.
- Advertisements: companies whose main activity is the provision of advertisements and media in connection with any of the above.

#### *Financial Screening:*

Shariah investment principles do not allow investment in companies deriving significant income (more than 5%) from interest or from companies that have excessive leverage. Measures of excessive leverage are defined as follows:

- (a) Total conventional debt divided by total assets in excess of 33.33%;
- (b) Sum of a company's cash and interest bearing securities divided by total assets in excess of 33.33%; and
- (c) Sum of a company's accounts receivables and cash divided by total assets in excess of 33.33%.

None of the financial ratios may exceed 33.33%. Securities will be considered non-compliant with respect to financial screening if any of the financial ratios exceed 33.33%.

The Management Company retains the right to adjust the financial ratios above with the advice and consent of the Shariah Supervisory Board, as appropriate.

#### *Other Permitted Investments*

- Islamic money market instruments;
- Units or shares of Shariah compliant UCITS schemes;
- Islamic deposits with any credit institutions (in the event there is no Islamic deposit available, then the cash of the Shariah Portfolio must be placed in a non-interest bearing account);
- Shariah compliant financial derivative instrument (only for hedging purposes).

Note: The above list is not meant to be exhaustive. As the Islamic finance market is continuously evolving, the Sub-Advisor of the Shariah Portfolio will be allowed to invest in newly introduced investment instruments if

they are deemed Shariah compliant by the Shariah Supervisory Board and are consistent with the Shariah Portfolio's Investment Objectives and Policy.

The Management Company may direct the Sub-Advisor to change Shariah Stock Screening Provider in the future as appropriate, working in consultation with the Shariah Advisor and with the consent of the Shariah Supervisory Board.

#### *Other restrictions*

No investment in fixed income preferred shares is allowed.

### **B. Purification of Prohibited Income**

Whenever the application of Shariah rules so requires, the Management Company intends to deduct from the Shariah Portfolio's total returns amounts that may have been derived from interest or other income received which is not in accordance with the principles of Shariah, as determined by the Sub-Advisor at the end of each quarter, in consultation with the Shariah Advisor and the Shariah Supervisory Board, on the basis of data received from the Shariah Stock Screening Provider.

Such amount will be based on the purification ratios of non-permissible income, expressed as a percentage of the company's dividend payments. The resulting amount will be donated to charities, as per the Management Company's instructions and in consultation with the Shariah Supervisory Board, and will be detailed in the SICAV's annual report. Any such amounts will be deducted only upon their actual determination and no anticipated accrual thereof shall be made.

### **C. Zakat**

In addition to the purification mechanism described above, each Investor is responsible for the relevant methodical calculation and the payment of its own Zakat. Zakat will not be deducted by the Shariah Portfolio before paying distributions.

## **II. Service Providers**

The Management Company has appointed the following service providers, in respect of the Shariah Portfolio:

- Shariah Supervisory Board, the members of which are listed under the sub-section with the heading "Shariah Supervisory Board" below, to monitor the Shariah Portfolio's compliance with Shariah Guidelines; and
- Gatehouse Bank plc, with its address at 125 Old Broad Street, London EC2N 1AR, United Kingdom, as Shariah Advisor ("Gatehouse").

The Sub-Advisor is a licensed user of the services of IdealRatings, Inc., a Delaware corporation, located at 425 Market Street, Suite 2200, San Francisco, CA 94105, United States of America, which will act as Shariah Stock Screening Provider.

### A. Shariah Supervisory Board

The Shariah Supervisory Board of the Shariah Portfolio will be represented by:

#### Sheikh Nizam Yaqouby

Sheikh Nizam Mohammed Yaquby is an internationally acclaimed Shariah scholar in the Islamic banking and finance industry and is the Chairman of the Shariah Supervisory Board of the Shariah Portfolio. He has a background in both traditional Islamic sciences with senior scholars from different parts of the Muslim world and also holds a Master's degree in Economics from McGill University in Canada.

Sheikh Nizam has taught Islamic subjects in Bahrain and lectured all over the world. He is a member of many International Boards including the Sharia Council of AAOIFI, Dow Jones Islamic Index, Central Bank of Bahrain Shariah Committee and IIFM Shariah Council. Sheikh Nizam has edited several Arabic manuscripts and authored on various subjects in both Arabic and English.

#### Dr Abdul Aziz Khalifa Al Qassar

Dr Al-Qassar holds a PhD in Islamic Fiqh from Al-Azhar University and is assistant professor at Shariah College, Kuwait University, where he has also acted as Deputy Dean for Academic Affairs since 2002. He is a member of the Shariah supervisory boards of several Islamic financial institutions, including The Securities House, and has published several academic works. Professor Al-Qassar published in a number of journals on topics relating to Islamic Finance and Islamic law. He sits in the Shariah boards of a number of equity funds in the GCC. He supervised and discussed a number of Masters' theses at the Faculty of Advanced Studies, Kuwait University.

#### Mufti Muhammad Nurullah Shikder

Mufti Muhammad Nurullah Shikder is Executive Vice President and Head of Shariah Compliance at Gatehouse. Prior to joining Gatehouse he worked for various financial institutions including HSBC in London and Dubai Islamic Bank in United Arab Emirates. Muhammad spent a number of years with Dubai Islamic Bank in the Shariah Coordination Department (now known as Dar al Shariah) and worked closely with Dr. Hussain Hamid Hassan, Chairman DIB Shariah Board. He has worked in many transactions where innovative structuring and documentation was provided including Sukuks (Islamic Bonds), Islamic Funds, Islamic Project finance, Islamic Syndications and other corporate and retail products. In 2008, he was ranked among the World's leading scholars by FAILAKA, and then in 2009 he received the ZAKI BADAWI Award for Outstanding Young Shariah Advisory.

Mufti Muhammad is a non-practicing lawyer and holds a Shahaadatul Aalamiyyah (BA/MA in Islamic Theology) and specialisation on Islamic Jurisprudence (Ifta) from Darul Uloom Al Arabiyya Al Islamiyya, Bury, UK, an LLB (Hons) and LLM in Banking & Finance Law from University College London (UCL).

These Shariah Supervisory Board members may serve on the Shariah boards of other institutions.

The Management Company has appointed the Shariah Supervisory Board to be responsible for Shariah supervisory and compliance functions. The Shariah Supervisory Board will advise the SICAV, the Management Company and/or the Sub-Advisor with respect to Shariah matters. The Shariah Supervisory Board will establish and approve general investment guidelines which are consistent with the principles of Shariah and will confirm compliance of the Shariah Portfolio with the Shariah Guidelines.

As a matter of principle the Shariah Portfolio will make investments which are compliant with the principles of Shariah as interpreted by the Shariah Supervisory Board and the relevant Sub-Advisor will be entitled to rely completely on the advice of the Shariah Supervisory Board to ensure that the principles of Shariah are observed in relation to proposed or actually implemented investments.

More specifically the Shariah Supervisory Board will analyse the policies, guidelines and management processes and procedures of the SICAV to ensure compliance with Shariah principles. This will involve, among other duties, the following activities:

- reviewing and approving the SICAV's Prospectus (to the extent applicable to the Shariah Portfolio), the Shariah Portfolio's KIID and any specific agreements entered in relation to the Shariah Portfolio, to ensure ongoing compliance with the principles of Shariah;
- on an ongoing basis, considering any necessary amendments to the Shariah Guidelines and issuing guidance as necessary following requests from the Shariah Advisor;
- issuing opinions, by way of fatawa, pronouncements, opinions, rulings or guidelines as to whether all or any investments comply with the rules and principles of Shariah (each, a "Decision"), it being understood that the Management Company shall decide in consultation with the Shariah Supervisory Board whether or not to publish such Decision; and
- informing the Management Company and the Shariah Advisor as soon as is reasonably practicable of the discovery of a breach of the Shariah Guidelines.

The Shariah Supervisory Board will provide guidance and ad-hoc views on, and review, the operations and investments of the Shariah Portfolio to ascertain adherence to the Shariah Guidelines. This will include a semi-annual audit of the operations of the Shariah Portfolio and provision of a report thereon to the Management Company and/or Sub-Advisor.

Finally, as mentioned above under "B. Purification of Prohibited Income", the Shariah Supervisory Board shall approve the purification amounts determined by the Sub-Advisor with the Shariah Advisor and propose charities to which such amounts will be paid.

### (B) Shariah Stock Screening Provider

IdealRatings is providing Shariah stock screening services to identify (i) stocks that are in line with the Shariah Guidelines and (ii) the amount of cleansing/purification required in respect of the transferable securities held by the Shariah Portfolio.

**(C) Shariah Advisor**

Gatehouse will act as the Shariah Advisor and shall be responsible for Shariah advisory services, including the following:

- advising the Management Company on the appointment of appropriate and adequate members to the Shariah Supervisory Board and ensuring that those members have the necessary expertise and experience to provide first class services under the Shariah Supervisory Board Appointment Agreement;
- recommending the Shariah Stock Screening Provider;
- providing supervision, by means of guidance, advice or recommendation, in relation to the Shariah Portfolio's operations and activities to ensure ongoing compliance with the rules and principles of Shariah and submitting any reports that may reasonably be requested by the Management Company from time to time and suggesting any amendment to the Shariah Guidelines as may be necessary to ensure continued compliance with the rules and principles of Shariah;
- liaising with the Administrative Agent, the Shariah Supervisory Board, the Auditor, legal advisers and other professionals appointed by the SICAV or the Management Company as reasonably required from time to time by the Management Company and the SICAV, including the exchange, collection, signing of documents and certification and to provide such advice and assistance to such persons as the Management Company may reasonably request;
- review and approve the purification amount as determined by the Shariah Stock Screening Provider for investments selected on the basis of the Shariah Stock Screening Provider's assessment and, for any other asset, determining a suitable methodology for:
  - identifying and quantifying any income and gains that may be derived from activities not in accordance with the Shariah Guidelines; and
  - issuing guidance with respect to Purification;
- providing all information to the Shariah Supervisory Board as the Shariah Supervisory Board may reasonably require to enable it to include within the Shariah audit report the extent of the purification liability of the SICAV. In addition, the Shariah Advisor will provide the Shariah Supervisory Board with the recommendation of the charity to which the Purification amount should be donated;
- informing the Management Company and the Administrative Agent as soon as is reasonably practicable of the Shariah Advisor's discovery of a breach of the Shariah Guidelines by the Shariah Portfolio and:
- advising the Management Company to enter into any transaction(s), if relevant, in order to remedy the breach;
- assisting and facilitating the Shariah Supervisory Board in connection with all of its functions for the Shariah Portfolio.

**III. Specific Risk Factors**

Investing in the Shariah Portfolio may involve specific risks such as those described under the section of this Prospectus with the heading "Risk Factors" and the risks set out below. Investors should consider such risks before investing in any of the Shariah Portfolio.

***Reclassification of Shariah Status Risk***

The following paragraphs describe the action required where Shariah-compliant securities are reclassified by the Shariah Supervisory Board or the Shariah Stock Screening Provider as being non-compliant with Shariah.

Where the market value of the non-Shariah-compliant securities exceeds the original investment costs on the date the Shariah Supervisory Board or the Shariah Stock Screening Provider announces non-compliance with Shariah, the Sub-Advisor shall dispose of the securities as soon as reasonably practicable. Any portion of the capital gains attributable to the period up until the date on which the non-compliance was announced can be retained by the Shariah Portfolio. However, the portion of capital gains which is derived from the securities after the date of the announcement shall be paid to charitable bodies in accordance with the instructions of the Shariah Supervisory Board. The Shariah Supervisory Board will determine whether all or a portion of the dividends should be paid to charitable bodies where dividends are received after the date of the announcement but before the securities are disposed of.

Where the market value of the non-Shariah-compliant securities does not exceed the original investment costs on the date the Shariah Supervisory Board or the Shariah Stock Screening Provider announces non-compliance with Shariah, they can be held for a maximum of 90 days. Any amount (including dividends) recovered from securities after the announcement is made which is above the original investment costs of the securities (including transactions costs) shall be paid to charitable bodies.

***Shariah Compliance Risk***

The members of the Shariah Supervisory Board and the Shariah Advisor have been appointed by the Management Company to ensure the compliance of the investments of the Shariah Portfolio with the Shariah Guidelines.

The Sub-Advisor of the Shariah Portfolio will manage the Shariah Portfolio in accordance with the Shariah Guidelines. This may mean that the Shariah Portfolio may perform less well than other investment funds that do not seek to strictly adhere to these criteria. The Shariah Guidelines may require the Shariah Portfolio to dispose of certain investments in certain circumstances and may prohibit investment into securities that are considered to present good investment opportunities due to their lack of compliance with Shariah. These requirements may place the Shariah Portfolio in a relatively less advantageous position compared to investment funds that do not adhere to the Shariah principles.

In addition, the requirement to "purify" prohibited income is likely to result in payments being made to charities that have been approved by the Shariah Supervisory Board. Where such payments are made, the return to investors will be reduced by the amount of such payments, adversely



affecting the performance of the Shariah Portfolio compared to funds with similar investment objectives that do not have to make such payments.

Although the Sub-Advisor fully intends to observe the Shariah Guidelines at all times, there can be no assurance that this will always be possible, as there may be occasions when investments of the Shariah Portfolio become non-compliant to the Shariah for reasons that are outside the control of the Sub-Advisor. The Management Company and/or Sub-Advisor shall report such incidents to the Shariah Supervisory Board as soon as possible after the incident.

#### **Derivative Risk**

A derivative is a financial instrument whose value is derived from the value of another asset. In Islamic finance, derivative instruments may only be used for hedging purposes and may not be used for speculation. If an available approved counterparty (or counterparties) does not offer a competitive rate for a hedging transaction (if any) or decides not to roll a hedging transaction when it comes due or no counterparty is available for hedging, the Sub-Advisor's ability to implement any hedging strategy could be impaired or could end. This would mean that the hedged Class would no longer closely track the performance of the Classes in base currency.

#### **IV. Definitions**

|   |  |
|---|--|
| <b>"Shariah"</b>                          | the principles, precepts and tenets of Islam derived principally from the Holy Qur'an and from the teachings and examples of the Holy Prophet Muhammad (peace be upon Him) as interpreted by the Shariah Supervisory Board             |
| <b>"Shariah Advisor"</b>                  | Gatehouse Bank plc, which has been appointed as the Shariah advisor by the Management Company  |
| <b>"Shariah-compliant"</b>                | investment products that comply with the requirements of Shariah principles as interpreted by the Shariah Supervisory Board  |
| <b>"Shariah Guidelines"</b>               | the investment guidelines established and confirmed by the Shariah Supervisory Board as compliant with the Shariah principles and set out in this Appendix   |
| <b>"Shariah Portfolio"</b>                | the Gatehouse Shariah Global Equity Portfolio  |
| <b>"Shariah Supervisory Board"</b>        | a board comprising three (3) Islamic scholars responsible for reviewing and approving the Shariah Guidelines and confirming the compliance of the Shariah Portfolio's investments and accounting standards with the Shariah principles |
| <b>"Shariah Stock Screening Provider"</b> | IdealRatings, which provides Shariah stock screening services  |
| <b>"Zakat"</b>                            | an annual obligation under Shariah to pay approximately 2.5% using a methodical calculation on excess wealth above a specified minimum for defined beneficiaries   |

## Appendix C

### Portfolio Charges

#### A SHARES:

| Portfolios   | Initial Sales Charge as a % of the amount invested | Exchange Fee  |
|--|--|---------------|
| <b>Bond Portfolios</b>                                   | Maximum 3.0% <sup>14</sup>                         | Maximum 0.75% |
| <b>Equity Portfolios and Asset Allocation Portfolios</b> | Maximum 5.0%                                       | Maximum 0.75% |
| <b>Absolute Return Portfolios</b>                        | Maximum 5.0%                                       | Maximum 0.75% |
| <b>Specialist Portfolio</b>                              | Maximum 5.0%                                       | Maximum 0.75% |
| <b>Shariah Portfolio</b>                                 | Maximum 5.0%                                       | Maximum 0.75% |

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio Type                     | Name of Portfolio                                   | Asset Management Fee | Operating Expenses | Base Currency |
|------------------------------------|---|----------------------|--------------------|---------------|
| <b>Bond Portfolios</b>             |   |                      |                    |               |
|                                    | Global Strategic Bond                               | 0.90%                | 0.30%              | US\$          |
|                                    | European Strategic Bond                             | 0.90%                | 0.25%              | Euro          |
|                                    | Global Corporate Bond                               | 0.90%                | 0.30%              | US\$          |
|                                    | Emerging Market Corporate Bonds                     | 1.35%                | 0.30%              | US\$          |
|                                    | Emerging Market Debt                                | 1.35%                | 0.30%              | US\$          |
|                                    | Global Emerging Market Short-Term Bonds             | 1.30%                | 0.30%              | US\$          |
|                                    | US High Yield Bond                                  | 1.25%                | 0.30%              | US\$          |
|                                    | US Investment Grade Corporate Bond                  | 0.90%                | 0.20%              | US\$          |
|                                    | Flexible Asian Bond                                 | 1.25%                | 0.30%              | US\$          |
| <b>Asset Allocation Portfolios</b> |   |                      |                    |               |
|                                    | Global Asset Allocation                             | 1.35%                | 0.35%              | US\$          |
|                                    | Global Multi Asset Income                           | 1.25%                | 0.30%              | US\$          |
| <b>Equity Portfolios</b>           |   |                      |                    |               |
|                                    | Global Focus  | 1.50%                | 0.35%              | US\$          |
|                                    | Global Emerging Market Equities                     | 1.50%                | 0.35%              | US\$          |
|                                    | Global Smaller Companies                            | 1.50%                | 0.35%              | Euro          |
|                                    | India Opportunities                                 | 1.50%                | 0.35%              | US\$          |
|                                    | American  | 1.50%                | 0.35%              | US\$          |
|                                    | American Select                                     | 1.50%                | 0.35%              | US\$          |
|                                    | Asia Contrarian Equity                              | 1.50%                | 0.35%              | US\$          |
|                                    | Asian Focus   | 1.50%                | 0.35%              | US\$          |
|                                    | Developed Asia Growth and Income                    | 1.50%                | 0.35%              | US\$          |
|                                    | US Contrarian Core Equities                         | 1.50%                | 0.35%              | US\$          |
|                                    | Pan European Equities                               | 1.50%                | 0.35%              | Euro          |
|                                    | Pan European Small Cap Opportunities                | 1.50%                | 0.35%              | Euro          |
|                                    | European Select                                     | 1.50%                | 0.35%              | Euro          |
|                                    | Asian Equity Income                                 | 1.50%                | 0.35%              | US\$          |
|                                    | Greater China Equities                              | 1.50%                | 0.35%              | US\$          |
|                                    | Global Energy Equities                              | 1.65%                | 0.35%              | US\$          |
|                                    | Global Technology                                   | 1.65%                | 0.35%              | US\$          |
|                                    | UK Equities   | 1.50%                | 0.35%              | GBP           |
|                                    | UK Equity Income                                    | 1.50%                | 0.35%              | GBP           |
|                                    | STANLIB Africa Equity                               | 2.00%                | 0.35%              | US\$          |
|                                    | STANLIB Global Emerging Markets Property Securities | 2.00%                | 0.35%              | US\$          |
| <b>Absolute Return Portfolios</b>  |   |                      |                    |               |
|                                    | American Absolute Alpha                             | 1.50%                | 0.35%              | US\$          |
|                                    | Diversified Alternative Risk Premia                 | 1.25%                | 0.25%              | US\$          |
|                                    | Global Opportunities Bond                           | 1.00%                | 0.30%              | US\$          |
|                                    | Pan European Absolute Alpha                         | 1.50%                | 0.35%              | EUR           |
| <b>Specialist Portfolio</b>        |   |                      |                    |               |
|                                    | Enhanced Commodities                                | 1.75%                | 0.35%              | US\$          |
| <b>Shariah Portfolio</b>           |   |                      |                    |               |
|                                    | Gatehouse Shariah Global Equity                     | 1.50%                | 0.35%              | US\$          |

<sup>14</sup> Applicable as of 28 April 2017.

## Appendix D

### Portfolio Charges

#### B SHARES:

| Portfolios  | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee |
|---|--|--------------|
| Each Portfolio listed below   | Nil  | Nil          |
| <b>Contingent Deferred Sales Charge</b>   |  |              |
| Please refer to the section with the heading “B Share – CDSC” on page 36 for details of the Contingent Deferred Sales Charge payable on redemption of B Shares. |  |              |

| Portfolio Type                     | Name of Portfolio                       | Asset Management Fee | Distribution Fee | Operating Expenses | Base Currency |
|------------------------------------|---|----------------------|------------------|--------------------|---------------|
| <b>Bond Portfolios</b>             |   |                      |                  |                    |               |
|                                    | Emerging Market Corporate Bonds         | 1.50%                | 1.00%            | 0.30%              | US\$          |
|                                    | Emerging Market Debt                    | 1.50%                | 1.00%            | 0.30%              | US\$          |
|                                    | Global Emerging Market Short-Term Bonds | 1.40%                | 1.00%            | 0.30%              | US\$          |
|                                    | US High Yield Bond                      | 1.25%                | 1.00%            | 0.30%              | US\$          |
| <b>Asset Allocation Portfolios</b> |   |                      |                  |                    |               |
|                                    | Global Asset Allocation                 | 1.50%                | 1.00%            | 0.35%              | US\$          |
| <b>Equity Portfolios</b>           |   |                      |                  |                    |               |
|                                    | Global Focus                            | 1.50%                | 1.00%            | 0.35%              | US\$          |
|                                    | American                                | 1.50%                | 1.00%            | 0.35%              | US\$          |
|                                    | American Select                         | 1.50%                | 1.00%            | 0.35%              | US\$          |
|                                    | Pan European Equities                   | 1.50%                | 1.00%            | 0.35%              | Euro          |
|                                    | Global Energy Equities                  | 1.75%                | 1.00%            | 0.35%              | US\$          |
|                                    | Global Technology*                      | 2.00%                | Nil              | 0.35%              | US\$          |

\*B Shares of the Global Technology Portfolio are available only for further subscription by existing Shareholders.

Please note that depending on the performance of the Portfolio and the time when an investor redeems their investment they may be charged more than if they had invested in A Shares of the Portfolio.

## Appendix E

### Portfolio Charges

#### D SHARES:

| Portfolios                  | Initial Sales Charge as a % of the amount invested | Exchange Fee  |
|-----------------------------|--|---------------|
| Each Portfolio listed below | Maximum 1.00%                                      | Maximum 0.75% |

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio Type                     | Name of Portfolio                                   | Asset Management Fee | Operating Expenses | Base Currency |
|------------------------------------|---|----------------------|--------------------|---------------|
| <b>Bond Portfolios</b>             |   |                      |                    |               |
|                                    | Global Strategic Bond                               | 1.35%                | 0.30%              | US\$          |
|                                    | European Strategic Bond                             | 1.45%                | 0.30%              | Euro          |
|                                    | Global Corporate Bond                               | 1.35%                | 0.30%              | US\$          |
|                                    | Emerging Market Corporate Bonds                     | 2.00%                | 0.30%              | US\$          |
|                                    | Emerging Market Debt                                | 2.00%                | 0.30%              | US\$          |
|                                    | Global Emerging Market Short-Term Bonds             | 1.55%                | 0.30%              | US\$          |
|                                    | US High Yield Bond                                  | 2.25%                | 0.30%              | US\$          |
|                                    | US Investment Grade Corporate Bond                  | 1.25%                | 0.20%              | US\$          |
|                                    | Flexible Asian Bond                                 | 1.75%                | 0.30%              | US\$          |
| <b>Asset Allocation Portfolios</b> |   |                      |                    |               |
|                                    | Global Asset Allocation                             | 2.25%                | 0.35%              | US\$          |
|                                    | Global Multi Asset Income                           | 2.00%                | 0.30%              | US\$          |
| <b>Equity Portfolios</b>           |   |                      |                    |               |
|                                    | Global Focus  | 2.25%                | 0.35%              | US\$          |
|                                    | Global Emerging Market Equities                     | 2.50%                | 0.35%              | US\$          |
|                                    | Global Smaller Companies                            | 2.00%                | 0.35%              | Euro          |
|                                    | American  | 2.00%                | 0.35%              | US\$          |
|                                    | American Select                                     | 2.25%                | 0.35%              | US\$          |
|                                    | India Opportunities                                 | 2.50%                | 0.35%              | US\$          |
|                                    | Asia Contrarian Equity                              | 2.50%                | 0.35%              | US\$          |
|                                    | Asian Focus   | 2.50%                | 0.35%              | US\$          |
|                                    | Developed Asia Growth and Income                    | 2.50%                | 0.35%              | US\$          |
|                                    | US Contrarian Core Equities                         | 2.00%                | 0.35%              | US\$          |
|                                    | Pan European Equities                               | 2.25%                | 0.35%              | Euro          |
|                                    | Pan European Small Cap Opportunities                | 2.40%                | 0.35%              | Euro          |
|                                    | European Select                                     | 2.00%                | 0.35%              | Euro          |
|                                    | Asian Equity Income                                 | 2.50%                | 0.35%              | US\$          |
|                                    | Greater China Equities                              | 2.50%                | 0.35%              | US\$          |
|                                    | Global Energy Equities                              | 2.25%                | 0.35%              | US\$          |
|                                    | Global Technology                                   | 2.00%                | 0.35%              | US\$          |
|                                    | UK Equities   | 2.25%                | 0.35%              | GBP           |
|                                    | UK Equity Income                                    | 2.25%                | 0.35%              | GBP           |
|                                    | STANLIB Africa Equity                               | 3.00%                | 0.35%              | US\$          |
|                                    | STANLIB Global Emerging Markets Property Securities | 3.00%                | 0.35%              | US\$          |
| <b>Absolute Return Portfolios</b>  |   |                      |                    |               |
|                                    | American Absolute Alpha                             | 2.00%                | 0.35%              | US\$          |
|                                    | Diversified Alternative Risk Premia                 | 2.00%                | 0.25%              | US\$          |
|                                    | Global Opportunities Bond                           | 1.90%                | 0.30%              | US\$          |
|                                    | Pan European Absolute Alpha                         | 2.00%                | 0.35%              | EUR           |
| <b>Specialist Portfolio</b>        |   |                      |                    |               |
|                                    | Enhanced Commodities                                | 2.25%                | 0.35%              | US\$          |

## Appendix F

### Portfolio Charges

#### W SHARES:

| Portfolios                  | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee  |
|-----------------------------|--|---------------|
| Each Portfolio listed below | Maximum 5.0%   | Maximum 0.75% |

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio Type                    | Name of Portfolio                       | Asset Management Fee | Operating Expenses | Base Currency |
|-----------------------------------|---|----------------------|--------------------|---------------|
| <b>Bond Portfolios</b>            |   |                      |                    |               |
|                                   | Global Strategic Bond                   | 0.75%                | 0.30%              | US\$          |
|                                   | European Strategic Bond                 | 0.85%                | 0.30%              | Euro          |
|                                   | Global Corporate Bond                   | 0.75%                | 0.30%              | US\$          |
|                                   | Emerging Market Corporate Bonds         | 1.00%                | 0.30%              | US\$          |
|                                   | Emerging Market Debt                    | 1.00%                | 0.30%              | US\$          |
|                                   | Global Emerging Market Short-Term Bonds | 1.15%                | 0.30%              | US\$          |
|                                   | US High Yield Bond                      | 1.25%                | 0.30%              | US\$          |
| <b>Asset Allocation Portfolio</b> |   |                      |                    |               |
|                                   | Global Asset Allocation                 | 1.40%                | 0.35%              | US\$          |
| <b>Equity Portfolios</b>          |   |                      |                    |               |
|                                   | Global Focus                            | 1.40%                | 0.35%              | US\$          |
|                                   | Global Emerging Market Equities         | 1.65%                | 0.35%              | US\$          |
|                                   | American                                | 1.15%                | 0.35%              | US\$          |
|                                   | American Select                         | 1.40%                | 0.35%              | US\$          |
|                                   | European Select                         | 1.00%                | 0.35%              | Euro          |
|                                   | Pan European Equities                   | 1.40%                | 0.35%              | Euro          |
|                                   | Pan European Small Cap Opportunities    | 1.55%                | 0.35%              | Euro          |
|                                   | Asian Equity Income                     | 1.65%                | 0.35%              | US\$          |
|                                   | Greater China Equities                  | 1.65%                | 0.35%              | US\$          |
|                                   | Global Energy Equities                  | 1.40%                | 0.35%              | US\$          |

## Appendix G

### Portfolio Charges

#### S SHARES:

| Portfolio                   | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee  |
|-----------------------------|--|---------------|
| Each Portfolio listed below | Maximum 5.0%   | Maximum 0.75% |

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio<br>Type      | Name of<br>Portfolio | Asset<br>Management Fee | Operating<br>Expenses | Base<br>Currency |
|------------------------|----------------------|-------------------------|-----------------------|------------------|
| <b>Bond Portfolios</b> |                      |                         |                       |                  |
|                        | Emerging Market Debt | 1.50%                   | 0.30%                 | US\$             |



## Appendix H

### Portfolio Charges

#### I SHARES:

| Portfolios                  | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee  |
|-----------------------------|--|---------------|
| Each Portfolio listed below | N/A  | Maximum 0.75% |

| Portfolio Type                     | Name of Portfolio                                   | Asset Management Fee | Operating Expenses | Base Currency |
|------------------------------------|---|----------------------|--------------------|---------------|
| <b>Bond Portfolios</b>             |   |                      |                    |               |
|                                    | Global Strategic Bond                               | 0.50%                | 0.20%              | US\$          |
|                                    | European Strategic Bond                             | 0.40%                | 0.15%              | Euro          |
|                                    | Global Corporate Bond                               | 0.50%                | 0.20%              | US\$          |
|                                    | Emerging Market Corporate Bonds                     | 0.80%                | 0.20%              | US\$          |
|                                    | Emerging Market Debt                                | 0.80%                | 0.20%              | US\$          |
|                                    | Global Emerging Market Short-Term Bonds             | 0.80%                | 0.20%              | US\$          |
|                                    | US High Yield Bond                                  | 0.55%                | 0.10%              | US\$          |
|                                    | US Investment Grade Corporate Bond                  | 0.40%                | 0.10%              | US\$          |
|                                    | Flexible Asian Bond                                 | 0.80%                | 0.20%              | US\$          |
| <b>Asset Allocation Portfolios</b> |   |                      |                    |               |
|                                    | Global Asset Allocation                             | 0.75%                | 0.20%              | US\$          |
|                                    | Global Multi Asset Income                           | 0.65%                | 0.20%              | US\$          |
| <b>Equity Portfolios</b>           |   |                      |                    |               |
|                                    | Global Focus  | 0.80%                | 0.20%              | US\$          |
|                                    | Global Emerging Market Equities                     | 0.85%                | 0.25%              | US\$          |
|                                    | Global Smaller Companies                            | 0.75%                | 0.20%              | Euro          |
|                                    | American  | 0.70%                | 0.20%              | US\$          |
|                                    | American Select                                     | 0.80%                | 0.25%              | US\$          |
|                                    | India Opportunities                                 | 0.85%                | 0.25%              | US\$          |
|                                    | Asia Contrarian Equity                              | 0.85%                | 0.25%              | US\$          |
|                                    | Asian Focus   | 0.85%                | 0.25%              | US\$          |
|                                    | Developed Asia Growth and Income                    | 0.85%                | 0.25%              | US\$          |
|                                    | US Contrarian Core Equities                         | 0.80%                | 0.25%              | US\$          |
|                                    | Pan European Equities                               | 0.80%                | 0.20%              | Euro          |
|                                    | Pan European Small Cap Opportunities                | 0.85%                | 0.25%              | Euro          |
|                                    | European Select                                     | 0.75%                | 0.20%              | Euro          |
|                                    | Asian Equity Income                                 | 0.80%                | 0.25%              | US\$          |
|                                    | Greater China Equities                              | 0.85%                | 0.25%              | US\$          |
|                                    | Global Energy Equities                              | 0.85%                | 0.25%              | US\$          |
|                                    | Global Technology                                   | 0.85%                | 0.25%              | US\$          |
|                                    | UK Equities   | 0.65%                | 0.20%              | GBP           |
|                                    | UK Equity Income                                    | 0.65%                | 0.20%              | GBP           |
|                                    | STANLIB Africa Equity                               | 1.25%                | 0.35%              | US\$          |
|                                    | STANLIB Global Emerging Markets Property Securities | 1.25%                | 0.35%              | US\$          |
| <b>Absolute Return Portfolios</b>  |   |                      |                    |               |
|                                    | American Absolute Alpha                             | 0.75%                | 0.20%              | US\$          |
|                                    | Diversified Alternative Risk Premia                 | 0.65%                | 0.15%              | US\$          |
|                                    | Global Opportunities Bond                           | 0.55%                | 0.20%              | US\$          |
|                                    | Pan European Absolute Alpha                         | 0.75%                | 0.20%              | EUR           |
| <b>Specialist Portfolio</b>        |   |                      |                    |               |
|                                    | Enhanced Commodities                                | 1.00%                | 0.25%              | US\$          |

## Appendix I

### Portfolio Charges

#### X SHARES:

| Portfolio                   | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee  |
|-----------------------------|--|---------------|
| Each Portfolio listed below | N/A  | Maximum 0.75% |

#### **FOR THE AVOIDANCE OF DOUBT THERE ARE NO ASSET MANAGEMENT FEES FOR X SHARES**

| Portfolio Type                     | Name of Portfolio                                   | Operating Expenses | Base Currency |
|------------------------------------|---|--------------------|---------------|
| <b>Bond Portfolios</b>             |   |                    |               |
|                                    | Global Strategic Bond                               | 0.15%              | US\$          |
|                                    | European Strategic Bond                             | 0.15%              | Euro          |
|                                    | Global Corporate Bond                               | 0.15%              | US\$          |
|                                    | Emerging Market Corporate Bonds                     | 0.15%              | US\$          |
|                                    | Emerging Market Debt                                | 0.15%              | US\$          |
|                                    | Global Emerging Market Short-Term Bonds             | 0.15%              | US\$          |
|                                    | US High Yield Bond                                  | 0.15%              | US\$          |
|                                    | US Investment Grade Corporate Bond                  | 0.10%              | US\$          |
|                                    | Flexible Asian Bond                                 | 0.15%              | US\$          |
| <b>Asset Allocation Portfolios</b> |   |                    |               |
|                                    | Global Asset Allocation                             | 0.15%              | US\$          |
|                                    | Global Multi Asset Income                           | 0.15%              | US\$          |
| <b>Equity Portfolios</b>           |   |                    |               |
|                                    | Global Focus  | 0.15%              | US\$          |
|                                    | Global Emerging Market Equities                     | 0.15%              | US\$          |
|                                    | Global Smaller Companies                            | 0.15%              | Euro          |
|                                    | American  | 0.15%              | US\$          |
|                                    | Asia Contrarian Equity                              | 0.15%              | US\$          |
|                                    | Asian Focus   | 0.15%              | US\$          |
|                                    | Developed Asia Growth and Income                    | 0.15%              | US\$          |
|                                    | India Opportunities                                 | 0.15%              | US\$          |
|                                    | American Select                                     | 0.15%              | US\$          |
|                                    | US Contrarian Core Equities                         | 0.15%              | US\$          |
|                                    | Pan European Equities                               | 0.15%              | Euro          |
|                                    | Pan European Small Cap Opportunities                | 0.15%              | Euro          |
|                                    | European Select                                     | 0.15%              | Euro          |
|                                    | Asian Equity Income                                 | 0.15%              | US\$          |
|                                    | Greater China Equities                              | 0.15%              | US\$          |
|                                    | Global Energy Equities                              | 0.15%              | US\$          |
|                                    | Global Technology                                   | 0.15%              | US\$          |
|                                    | UK Equities   | 0.15%              | GBP           |
|                                    | UK Equity Income                                    | 0.15%              | GBP           |
|                                    | STANLIB Africa Equity                               | 0.15%              | US\$          |
|                                    | STANLIB Global Emerging Markets Property Securities | 0.15%              | US\$          |
| <b>Absolute Return Portfolios</b>  |   |                    |               |
|                                    | American Absolute Alpha                             | 0.15%              | US\$          |
|                                    | Diversified Alternative Risk Premia                 | 0.15%              | US\$          |
|                                    | Global Opportunities Bond                           | 0.15%              | US\$          |
|                                    | Pan European Absolute Alpha                         | 0.15%              | EUR           |
| <b>Specialist Portfolio</b>        |   |                    |               |
|                                    | Enhanced Commodities                                | 0.15%              | US\$          |
| <b>Shariah Portfolio</b>           |   |                    |               |
|                                    | Gatehouse Shariah Global Equity                     | 0.25%              | US\$          |

## Appendix J

### Portfolio Charges

#### Z SHARES:

| Portfolio                   | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee  |
|-----------------------------|--|---------------|
| Each Portfolio listed below | 5.00%  | Maximum 0.75% |

Sales charges are maximums, which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio Type                     | Name of Portfolio                                   | Asset Management Fee | Operating Expenses | Base Currency |
|------------------------------------|---|----------------------|--------------------|---------------|
| <b>Bond Portfolios</b>             |   |                      |                    |               |
|                                    | Global Strategic Bond                               | 0.50%                | 0.25%              | US\$          |
|                                    | European Strategic Bond                             | 0.50%                | 0.25%              | Euro          |
|                                    | Global Corporate Bond                               | 0.50%                | 0.25%              | US\$          |
|                                    | Emerging Market Corporate Bonds                     | 0.60%                | 0.30%              | US\$          |
|                                    | Emerging Market Debt                                | 0.60%                | 0.30%              | US\$          |
|                                    | Global Emerging Market Short-Term Bonds             | 0.60%                | 0.30%              | US\$          |
|                                    | US High Yield Bond                                  | 0.60%                | 0.30%              | US\$          |
|                                    | US Investment Grade Corporate Bond                  | 0.50%                | 0.20%              | US\$          |
|                                    | Flexible Asian Bond                                 | 0.60%                | 0.30%              | US\$          |
| <b>Asset Allocation Portfolios</b> |   |                      |                    |               |
|                                    | Global Asset Allocation                             | 0.75%                | 0.25%              | US\$          |
|                                    | Global Multi Asset Income                           | 0.75%                | 0.30%              | US\$          |
| <b>Equity Portfolios</b>           |   |                      |                    |               |
|                                    | Global Focus  | 0.75%                | 0.35%              | US\$          |
|                                    | Global Emerging Market Equities                     | 0.75%                | 0.35%              | US\$          |
|                                    | Global Smaller Companies                            | 0.75%                | 0.35%              | Euro          |
|                                    | American  | 0.75%                | 0.25%              | US\$          |
|                                    | India Opportunities                                 | 0.75%                | 0.35%              | US\$          |
|                                    | Asia Contrarian Equity                              | 0.75%                | 0.35%              | US\$          |
|                                    | Asian Focus   | 0.75%                | 0.35%              | US\$          |
|                                    | Developed Asia Growth and Income                    | 0.75%                | 0.35%              | US\$          |
|                                    | American Select                                     | 0.75%                | 0.35%              | US\$          |
|                                    | US Contrarian Core Equities                         | 0.75%                | 0.35%              | US\$          |
|                                    | Pan European Equities                               | 0.75%                | 0.30%              | Euro          |
|                                    | Pan European Small Cap Opportunities                | 0.75%                | 0.35%              | Euro          |
|                                    | European Select                                     | 0.75%                | 0.30%              | Euro          |
|                                    | Asian Equity Income                                 | 0.75%                | 0.35%              | US\$          |
|                                    | Greater China Equities                              | 0.75%                | 0.35%              | US\$          |
|                                    | Global Energy Equities                              | 0.80%                | 0.35%              | US\$          |
|                                    | Global Technology                                   | 0.85%                | 0.35%              | US\$          |
|                                    | UK Equities   | 0.75%                | 0.35%              | GBP           |
|                                    | UK Equity Income                                    | 0.75%                | 0.35%              | GBP           |
|                                    | STANLIB Africa Equity                               | 1.25%                | 0.35%              | US\$          |
|                                    | STANLIB Global Emerging Markets Property Securities | 1.25%                | 0.35%              | US\$          |
| <b>Absolute Return Portfolios</b>  |   |                      |                    |               |
|                                    | American Absolute Alpha                             | 0.75%                | 0.30%              | US\$          |
|                                    | Diversified Alternative Risk Premia                 | 0.75%                | 0.25%              | US\$          |
|                                    | Global Opportunities Bond                           | 0.55%                | 0.25%              | US\$          |
|                                    | Pan European Absolute Alpha                         | 0.75%                | 0.30%              | EUR           |
| <b>Specialist Portfolio</b>        |   |                      |                    |               |
|                                    | Enhanced Commodities                                | 0.75%                | 0.35%              | US\$          |

## Appendix K

### Portfolio Charges

#### L SHARES:

| Portfolio                   | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee |
|-----------------------------|--|--------------|
| Each Portfolio listed below | N/A  | 0.75%        |

Sales charges are maximums which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio Type                    | Name of Portfolio                   | Asset Management Fee | Operating Expenses | Base Currency |
|-----------------------------------|-------------------------------------|----------------------|--------------------|---------------|
| <b>Equity Portfolios</b>          |                                     |                      |                    |               |
|                                   | UK Equity Income                    | 0.50%                | 0.20%              | GBP           |
| <b>Absolute Return Portfolios</b> |                                     |                      |                    |               |
|                                   | Diversified Alternative Risk Premia | 0.35%                | 0.15%              | US\$          |
|                                   | Pan European Absolute Alpha         | 0.375%               | 0.20%              | EUR           |

# Appendix L

## Portfolio Charges

T SHARES:

| Portfolio                   | Initial Sales Charge<br>as a % of the amount<br>invested | Exchange Fee |
|-----------------------------|--|--------------|
| Each Portfolio listed below | 5.0%   | 0.75%        |

Sales charges are maximums which distributors or sub-distributors are allowed to waive in whole or in part, depending on the size of the subscription or upon local market considerations.

| Portfolio Type  | Name of Portfolio  | Asset Management Fee | Operating Expenses | Base Currency |
|-----------------|--------------------|----------------------|--------------------|---------------|
| Bond Portfolios |                    |                      |                    |               |
|                 | US High Yield Bond | 0.55%                | 0.10%              | USD           |

## Appendix M

List of delegates and sub-delegates of the Depositary. The list below is subject to change and a current list is available from the depositary upon request.

| Country                                 | Entity   |
|---|--|
| Argentina                               | The branch of Citibank, N.A. in the Republic of Argentina  |
| Australia                               | Citigroup Pty. Limited   |
| Austria                                 | Citibank Europe plc Dublin   |
| Bahrain                                 | Citibank N.A., Bahrain   |
| Bangladesh                              | Citibank N.A., Bangladesh  |
| Belgium                                 | Citibank Europe plc, UK Branch   |
| Bermuda                                 | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited     |
| Bosnia-Herzegovina (Sarajevo)           | UniCredit Bank d.d.  |
| Bosnia-Herzegovina: Srpska (Banja Luka) | UniCredit Bank d.d.  |
| Botswana                                | Standard Chartered Bank of Botswana Limited  |
| Brazil                                  | Citibank, N.A., Brazilian Branch   |
| Bulgaria                                | Citibank Europe plc, Bulgaria Branch   |
| Canada                                  | Citibank Canada  |
| Chile                                   | Banco de Chile   |
| China B Shanghai                        | Citibank, N.A., Hong Kong Branch (For China B shares)  |
| China A Shares                          | Citibank China Co Ltd (For China A Shares)   |
| China Hong Kong Stock Connect           | Citibank, N.A., Hong Kong Branch   |
| Colombia                                | Cititrust Colombia S.A. Sociedad Fiduciaria  |
| Costa Rica                              | Banco Nacioanal de Costa Rica  |
| Croatia                                 | Privedna banka Zagreb d.d.   |
| Cyprus                                  | Citibank Europe plc, Greece branch   |
| Czech Republic                          | Citibank Europe plc, organizacni slozka  |
| Denmark                                 | Nordea Danmark, filial of Nordea Bank AB (publ), Sverige   |
| Egypt                                   | Citibank, N.A., Cairo Branch   |
| Estonia                                 | Swedbank AS  |
| Euroclear                               | Euroclear  |
| Finland                                 | Nordea Bank AB (publ), Finnish Branch  |
| France                                  | Citibank Europe plc UK branch  |
| Georgia                                 | JSC Bank of Georgia  |
| Germany                                 | Citigroup Global Markets Deutschland AG  |
| Ghana                                   | Standard Chartered Bank of Ghana Limited   |
| Greece                                  | Citibank Europe plc, Greece Branch   |
| Hong Kong                               | Citibank N.A., Hong Kong   |
| Hungary                                 | Citibank Europe plc Hungarian Branch Office  |
| Iceland                                 | Citibank is a direct member of Clearstream Banking, which is an ICSD.  |
| India                                   | Citibank N.A., Mumbai Branch   |
| Indonesia                               | Citibank, N.A., Jakarta Branch   |
| Ireland                                 | Citibank N.A., London Branch   |
| Israel                                  | Citibank N.A., Israel Branch   |
| Italy                                   | Citibank N.A., Milan Branch  |
| Jamaica                                 | Scotia Investments Jamaica Limited   |
| Japan                                   | Citibank Japan Limited   |
| Jordan                                  | Standard Chartered Bank Jordan Branch  |
| Kenya                                   | Standard Chartered Bank Kenya Limited  |
| Korea (South)                           | Citibank Korea Inc.  |
| Kuwait                                  | Citibank N.A., Kuwait Branch   |
| Latvia                                  | Swedbank AS, based in Estonia and acting through its Latvian branch, Swedbank AS                             |
| Lebanon                                 | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited |
| Lithuania                               | Swedbank AS, based in Estonia and acting through its Lithuanian branch "Swedbank" AB                         |



| Country                           | Entity   |
|-----------------------------------|--|
| Macedonia                         | Raiffeisen Bank International AG   |
| Malaysia                          | Citibank Berhad  |
| Malta                             | Citibank is a direct member of Clearstream Banking, which is an ICSD.  |
| Mauritius                         | The Hong Kong & Shanghai Banking Corporation Limited   |
| Mexico                            | Banco Nacional de Mexico, S.A.   |
| Morocco                           | Citibank Maghreb   |
| Namibia                           | Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited                |
| Netherlands                       | Citibank Europe plc, UK Branch   |
| New Zealand                       | Citibank, N.A., New Zealand Branch   |
| Nigeria                           | Citibank Nigeria Limited   |
| Norway                            | DNB Bank ASA   |
| Oman                              | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G        |
| Pakistan                          | Citibank, N.A., Karachi  |
| Panama                            | Citibank N.A., Panama Branch   |
| Peru                              | Citibank del Peru S.A  |
| Philippines                       | Citibank, N.A., Manila Branch  |
| Poland                            | Bank Handlowy w Warszawie SA   |
| Portugal                          | Citibank Europe plc, sucursal em Portugal  |
| Qatar                             | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited |
| Romania                           | Citibank Europe plc, Dublin - Romania Branch   |
| Russia                            | AO Citibank  |
| Serbia                            | UniCredit Bank Srbija a.d.   |
| Singapore                         | Citibank, N.A., Singapore Branch   |
| Slovak Republic                   | Citibank Europe plc pobočka zahraničnej banky  |
| Slovenia                          | UniCredit Banka Slovenia d.d. Ljubljana  |
| South Africa                      | Citibank NA South Africa branch  |
| Spain                             | Citibank Europe plc, Sucursal en Espana  |
| Sri Lanka                         | Citibank N.A., Colombo Branch  |
| Sweden                            | Citibank Europe plc, Sweden Branch   |
| Switzerland                       | Citibank N.A., London branch   |
| Taiwan                            | Citibank Taiwan Limited  |
| Tanzania                          | Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd                         |
| Thailand                          | Citibank, N.A., Bangkok Branch   |
| Tunisia                           | Union Internationale de Banques  |
| Turkey                            | Citibank, A.S.   |
| Uganda                            | Standard Chartered Bank of Uganda Limited  |
| United Arab Emirates ADX & DFM    | Citibank N.A. UAE  |
| United Arab Emirates NASDAQ Dubai | Citibank N.A., UAE   |
| United Kingdom                    | Citibank N.A., London branch   |
| United States                     | Citibank N.A., New York offices  |
| Uruguay                           | Banco Itau Uruguay S.A.  |
| Venezuela                         | Citibank, N.A., Venezuela Branch   |
| Vietnam                           | Citibank N.A., Hanoi Branch  |
| Zambia                            | Standard Chartered Bank Zambia Plc   |

## Glossary

|  |   |
|--|---|
| <b>“A Shares”</b>                              | Share Classes with the letter A as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;   |
| <b>“Articles”</b>                              | the articles of incorporation of the SICAV;   |
| <b>“Asset Management Fee”</b>                  | the monthly fee payable by the SICAV to the Management Company under the terms of the Management Company Services Agreement at the annual rates set forth in Appendices C, D, E, F, G, H, J, K and L (except with respect to Classes BU, M and MGH for which charges are described directly in the body of this Prospectus);  |
| <b>“Auditor”</b>                               | PricewaterhouseCoopers, société coopérative or such other service provider as may be lawfully appointed to serve as auditor to the SICAV;   |
| <b>“AUD”</b>                                   | the legal currency of the Commonwealth of Australia;  |
| <b>“B Shares”</b>                              | Share Classes with the letter B as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;   |
| <b>“Base Currency”</b>                         | the currency in which a Portfolio is denominated;   |
| <b>“Below Investment Grade”</b>                | are securities rated below “Baa3” by Moody’s, “BBB-” by S&P or that have an equivalent rating by another NRSRO, or are unrated and believed to be of equivalent quality in the opinion of the Management Company or of the relevant Sub-Advisor;  |
| <b>“Business Day”</b>                          | with respect to each Portfolio any day on which banks are open for normal banking business in Luxembourg and when the Directors believe that sufficient markets in which the Portfolio invested are also open and permit sufficient trading and liquidity to enable such Portfolio to be managed efficiently (a list of the Business Days is available on the website <a href="http://www.columbiathreadneedle.com">www.columbiathreadneedle.com</a> );   |
| <b>“CDSC”</b>                                  | Contingent Deferred Sales Charge;   |
| <b>“CHF”</b>                                   | the legal currency of the Swiss Confederation;  |
| <b>“CNH”</b>                                   | the offshore Chinese Renminbi, currency of the People’s Republic of China;  |
| <b>“Class”</b>                                 | a class of Shares in the SICAV;   |
| <b>“Companies Law”</b>                         | the Luxembourg law of 10 August 1915 on Commercial Companies, as amended;   |
| <b>“Continental Europe”</b>                    | all European countries ex-United Kingdom and ex-Ireland;  |
| <b>“Contingent Convertible Bond” or “CoCo”</b> | debt instrument, issued by banks or financial institutions, which has a contingent capital feature. A contingent capital feature allows the bond to become equity (capital) upon a pre-specified triggering event. Triggering events include when the regulatory capital ratio of a bank reaches an agreed level, or the issue or issuer is subject to regulatory action or decision by the responsible regulator in the issuer’s home market. The bondholder’s claim can either be cancelled or partially written down in value (writedown feature), or become an equity claim (conversion feature). These instruments tend to be perpetual in nature and tend to have discretionary coupons. However, the contingent capital feature can be found on bullet maturity instruments; |
| <b>“CSSF”</b>                                  | the Luxembourg <i>Commission de Surveillance du Secteur Financier</i> ;   |

|   |   |
|---|---|
| <b>"CSSF Circular 11/512"</b>                 | the circular issued by the CSSF on 30 May 2011 to all Luxembourg management companies in relation to (i) the presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications; (ii) further clarifications from the CSSF on risk management rules; and (iii) the definition of the content and format of the risk management process to be communicated to the CSSF;  |
| <b>"CSSF Circular 08/356"</b>                 | the circular issued by the CSSF on 4 June 2008 to all Luxembourg UCIs and those who act in relation to their operation and outlining rules applicable to UCIs when they employ certain techniques and instruments relating to transferable securities and money market instruments;   |
| <b>"CSSF Regulation 10-4"</b>                 | the regulation issued by the CSSF on 24 December 2010 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and the content of the agreement between a depositary and a management company;  |
| <b>"D Shares"</b>                             | Share Classes with the letter D as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;   |
| <b>"Depositary"</b>                           | Citibank Europe plc, Luxembourg Branch or such other service provider as may be lawfully appointed to serve as depositary to the SICAV;   |
| <b>"Depositary Agreement"</b>                 | the agreement, as amended from time to time, between the SICAV and the Depositary as described in the section of the prospectus with the heading "Service Providers" under the sub-heading "Depositary";  |
| <b>"Domiciliary and Administrative Agent"</b> | Citibank Europe plc, Luxembourg Branch or such other service provider as may be lawfully appointed to serve as domiciliary and administrative agent to the SICAV;   |
| <b>"Directors"</b>                            | the board of directors from time to time of the SICAV including any duly authorised committee thereof;  |
| <b>"Dow Jones Euro Stoxx 50"</b>              | a leading Blue-chip index whose stated objective is to provide a representation of supersector leaders in the Euro Area. The index covers 50 stocks from 12 Euro Area countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain;   |
| <b>"Eligible Investor"</b>                    | an existing or new investor of the SICAV that is eligible at the SICAV's discretion to invest in X Shares either (i) upon entering into an agreement with the Management Company or Threadneedle Portfolio Services Hong Kong Limited on behalf of the SICAV and fulfilling the eligibility conditions set by the SICAV from time to time or (ii) other UCIs or UCITS which have the same Management Company or have the same ultimate owner as the Management Company and therefore will not be subject to an asset management fee, or subscription fee; |
| <b>"Eligible Market"</b>                      | a regulated market in an Eligible State which operates regularly and is recognised and open to the public;  |
| <b>"Eligible State"</b>                       | any member state of the OECD and all other countries of the American continents, Europe, Asia, Africa and Oceania;  |
| <b>"Eligible Transferable Securities"</b>     | <p>(i) transferable securities admitted to official listing on a stock exchange in an Eligible State; and/or</p> <p>(ii) transferable securities dealt in on another Eligible Market; and/or</p> <p>(iii) recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange in an Eligible State or on an Eligible Market and such admission is achieved within a year of the issue;</p>   |

|                                      |  |
|--------------------------------------|--|
| <b>“Emerging Market Countries”</b>   | any country that is not represented in the MSCI World Index will be considered as an Emerging Market Country;  |
| <b>“EMIR”</b>                        | Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;  |
| <b>“EU”</b>                          | current and any future member countries of the European Union;   |
| <b>“Euro” or “€”</b>                 | the legal currency of the countries participating in the European Economic and Monetary Union;   |
| <b>“Euro Area”</b>                   | the collective group of countries whose legal currency is the Euro;  |
| <b>“Europe”</b>                      | all countries that are members of the European Economic Area and Switzerland and the term “European” shall be construed accordingly;   |
| <b>“ESMA”</b>                        | the European Securities and Markets Authority;   |
| <b>“ESMA Guidelines”</b>             | the ESMA Guidelines on ETFs and other UCITS issues (Ref. ESMA/2012/832EN) as transposed into Luxembourg legislation by CSSF circular 13/559 issued by the CSSF on 18 February 2013;  |
| <b>“European Smaller Companies”</b>  | European companies either headquartered in Europe or exercising a predominant part of their activities in Europe, that at the time of purchase are not represented in the top 300 companies in the FTSE World Europe Index;  |
| <b>“GBP”</b>                         | the legal currency of the United Kingdom;  |
| <b>“G-7”</b>                         | Canada, France, Germany, the United Kingdom, Italy, Japan and the United States;   |
| <b>“Global Smaller Companies”</b>    | Companies globally that are no larger by market capitalisation than the largest constituent of the MSCI World Smaller Companies Index;   |
| <b>“Group of Companies”</b>          | companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules or would be required to do so if they were located in the EU;  |
| <b>“Hedged Shares”</b>               | Shares that aim to hedge the currency risk between a Portfolio’s base currency and the currency of denomination of such Shares. The hedging will be implemented by using currency derivatives. Hedged Shares may be made available in all Portfolios and in various currencies at the discretion of the Directors; confirmation of the Portfolios and currencies in which Hedged Shares are available may be obtained from the Management Company; |
| <b>“High Yield”</b>                  | securities having a rating below “Baa3” by Moody’s, “BBB-” by S&P or that have an equivalent rating by another NRSRO, or are unrated and believed to be of similar quality;  |
| <b>“HKD”</b>                         | the legal currency of Hong Kong;   |
| <b>“I Shares”</b>                    | Share Classes with the letter I as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;  |
| <b>“Institutional Investors”</b>     | Institutional Investors, as defined by guidelines or recommendations issued by the Regulatory Authority from time to time;   |
| <b>“Institutional Share Classes”</b> | Classes which are only available for subscription and holding by Institutional Investors;  |

|  |   |
|--|---|
| <b>"Investment Fund Services Agreement"</b>          | the agreement, as amended from time to time, between the SICAV and the Domiciliary and Administrative Agent, as described in the section of this prospectus with the heading "Service Provider" under the sub-heading "Domiciliary and Administrative Agent";   |
| <b>"Investment Grade"</b>                            | for Portfolios other than the US Investment Grade Corporate Bond Portfolio, securities rated within the four highest rating categories as determined by Moody's or S&P or that have an equivalent rating band by another NRSRO, or are unrated and believed to be of equivalent quality in the opinion of the Management Company or of the relevant Sub-Advisor. For the US Investment Grade Corporate Bond Portfolio, securities rated in the "investment grade" category by Moody's, S&P or Fitch Ratings, Inc., using the following rules: (i) if all three agencies rate the relevant security, the middle rating; (ii) if two agencies rate the securities, the lower rating will be used; (iii) if one agency rates the security, it must be rated as investment grade by that agency or (iv) are unrated and believed to be of equivalent quality in the opinion of the Management Company or of the relevant Sub-Advisor; |
| <b>"Key Investor Information Document" or "KIID"</b> | the Key Investor Information document contains the essential characteristics of the SICAV and shall be provided to investors before their proposed subscription of Shares. The KIID is a pre-contractual document and investors will have to confirm that they have read the latest KIID before making a subscription. The Management Company has the right to reject a subscription if the investor does not confirm that they have read the latest KIID at the time of application. Investors can obtain the latest KIID on the website <a href="http://www.columbiathreadneedle.com">www.columbiathreadneedle.com</a> ;  |
| <b>"L Shares"</b>                                    | Share Classes with the letter L as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;   |
| <b>"Latin America"</b>                               | all countries in the Americas except the United States and Canada;  |
| <b>"2010 Law"</b>                                    | the Luxembourg law of 17 December 2010 relating to UCI, as amended;   |
| <b>"LIBOR"</b>                                       | the London Interbank Offered Rate, the daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market (or interbank lending market);  |
| <b>"Management Company"</b>                          | Threadneedle Management Luxembourg S.A., the designated management company of the SICAV;  |
| <b>"Management Company Services Agreement"</b>       | the agreement made between the SICAV and the Management Company dated as of 31 October 2005, as may be amended from time to time;   |
| <b>"Member State"</b>                                | a member state of the European Union;   |
| <b>"Memorial"</b>                                    | <i>Memorial, Recueil des Sociétés et Associations</i> of the Grand Duchy of Luxembourg;   |
| <b>"MiFID II/ MiFIR"</b>                             | Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and Regulation 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;   |
| <b>"Money Market Instruments"</b>                    | instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time;   |
| <b>"Moody's"</b>                                     | Moody's Investors Service;  |
| <b>"MSCI"</b>  | Morgan Stanley Capital International Index;   |
| <b>"Multiple Payment Currencies"</b>                 | U.S. Dollar and Euro;   |

|  |  |
|--|--|
| <b>“Net Asset Value”</b>                         | the net asset value of each Class within each Portfolio, as described in Section “Net Asset Value Determination”;  |
| <b>“North America”</b>                           | the United States and Canada;  |
| <b>“NRSRO”</b>                                   | a nationally recognised statistical rating organisation;   |
| <b>“OECD”</b>                                    | the members of the Organisation for Economic Co-operation and Development;   |
| <b>“Other Regulated Market”</b>                  | Without prejudice to the Investment Policy of the STANLIB Africa Equity Portfolio and the STANLIB Global Emerging Markets Property Securities Portfolio, means a market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency; (iii) which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association; and (iv) on which the securities dealt are accessible to the public; |
| <b>“Other State”</b>                             | any State of Europe which is not a Member State, any State of America, Africa, Asia and Oceania;   |
| <b>“Portfolios”</b>                              | segregated portfolios of assets of the SICAV, each represented by one or more Classes and managed in accordance with a specified investment objective and policy;  |
| <b>“principally”</b>                             | each time that the word “principally” is used in the description of the investment objective of a Portfolio, this means at least two thirds of the assets of the relevant Portfolio are directly invested in the currency, the country, the type of security or the other material element in relation to which the term “principally” is used in description of the relevant Portfolio’s investment objective. For so long as the sale of Shares in a Portfolio is authorised in Hong Kong, and to the extent that Hong Kong regulations continue to so require, “principally” in such a Portfolios investment objective shall be interpreted to mean that not less than two thirds of the Portfolio’s non-cash assets are invested according to the geographic, sector or other focus indicated by the name of the Portfolio;  |
| <b>“REIT”</b>                                    | Real Estate Investment Trust;  |
| <b>“Redemption Price”</b>                        | the redemption price per Share of each Class in respect of each Portfolio, calculated in accordance with the methodology set out under the “Redemption of Shares” section;   |
| <b>“Registrar and Transfer Agency Agreement”</b> | the agreement made between the SICAV and the Registrar and Transfer Agent dated 31 October 2011;   |
| <b>“Registrar and Transfer Agent”</b>            | International Financial Data Services (Luxembourg) S.A. or such other service provider as may be lawfully appointed to serve as registrar and transfer agent to the SICAV;   |
| <b>“Regulated Market”</b>                        | a regulated market as defined in the Parliament and Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments as amended (“Directive 2004/39/EC”) namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of Directive 2004/39/EC. An updated list of Regulated Markets is available at: <a href="http://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma">http://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma</a> ;                              |



|                                  |  |
|----------------------------------|--|
| <b>“Regulatory Authority”</b>    | the Luxembourg authority or its successor in charge of the supervision of UCI in the Grand Duchy of Luxembourg;  |
| <b>“S Shares”</b>                | Share Classes with the letter S as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;  |
| <b>“secondarily”</b>             | each time that the word “secondarily” is used in the description of the investment objective of a Portfolio, this means that no more than one third of the assets of the relevant Portfolio are invested in the currency, the country, the type of security or the other material element in relation to which the term “secondarily” is used in the description of the relevant Portfolio’s investment objective; |
| <b>“Securities Act”</b>          | the U.S. Securities Act of 1933, as amended;   |
| <b>“SEK”</b>                     | the legal currency of Sweden;  |
| <b>“Shareholders”</b>            | holders of Shares in the SICAV, as recorded in the books of the SICAV on file with the Registrar and Transfer Agent;   |
| <b>“Shares”</b>                  | shares of the SICAV of no par value each designated into different Classes with reference to the Portfolios of the SICAV;  |
| <b>“SICAV”</b>                   | Threadneedle (Lux), a <i>société d’investissement à capital variable</i> (an open-ended investment fund of the corporate type);  |
| <b>“Sub-Advisor”</b>             | a service provider appointed under the terms of an agreement with the Management Company to provide investment management or advisory services with respect to one or more portfolios, as set out in the section “Investment Advisory Arrangements”;   |
| <b>“Subscription Price”</b>      | the subscription price per Share of each Class in respect of each Portfolio, calculated in accordance with the methodology set out under the “Purchase of Shares” section;   |
| <b>“S&amp;P”</b>                 | Standard and Poor’s Corporation;   |
| <b>“S&amp;P 500 Index”</b>       | the index compiled by S&P consisting of 500 stocks chosen for market size, liquidity and industry group representation and being a market-value weighted index, with each stock’s weight in the index being proportionate to its market value;   |
| <b>“SGD”</b>                     | the legal currency of Singapore;   |
| <b>“T Shares”</b>                | Share Classes with the letter T as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;  |
| <b>“Transferable Securities”</b> | <ul style="list-style-type: none"> <li>– shares and other securities equivalent to shares;</li> <li>– bonds and other debt instruments;</li> <li>– any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange with the exclusion of techniques and instruments;</li> <li>– loan participations;</li> </ul>                                      |
| <b>“UCI”</b>                     | an undertaking for collective investment as defined by Luxembourg law;   |
| <b>“UCITS”</b>                   | an undertaking for collective investment in Transferable Securities under Article 1 (2) of the UCITS Directive;  |

|                                 |   |
|---------------------------------|---|
| <b>"UCITS Directive"</b>        | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as may be amended;  |
| <b>"UK" or "United Kingdom"</b> | the United Kingdom of Great Britain and Northern Ireland, its territories and possessions;  |
| <b>"US" or "United States"</b>  | the United States of America, its territories and possessions, any State of the United States and the District of Columbia;   |
| <b>"United States Person"</b>   | a person as defined in Regulation S of the Securities Act and thus shall include but not be limited to, (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer, or other fiduciary for the benefit or account of a U.S. Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if: (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; but shall not include (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States or (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and the estate is governed by foreign law; |
| <b>"U.S. Dollar" or "US\$"</b>  | the legal currency of the United States;  |
| <b>"Valuation Date"</b>         | any Business Day;   |
| <b>"VaR"</b>                    | Value at risk;  |
| <b>"W Shares"</b>               | Share Classes with the letter W or P as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;  |
| <b>"X Shares"</b>               | Share Classes with the letter X as the first letter of their denomination, with features as described in the loose leaf to this Prospectus;   |
| <b>"Z Shares"</b>               | Share Classes with the letter Z as the first letter of their denomination, with features as described in the loose leaf to this Prospectus.   |

**THREADNEEDLE (LUX)**  
*Société d'investissement à capital variable*  
31 Z.A. Bourmicht  
L-8070 Bertrange  
R.C.S. Luxembourg B 50 216

A Luxembourg Undertaking for Collective Investment  
in Transferable Securities

**Loose Leaf to the Prospectus dated March 2017 (the "Prospectus")**

**This loose leaf forms an integral part of the Prospectus for THREADNEEDLE (LUX) (the "SICAV") and may not be distributed separately.**

**SHARE CLASSES OFFERED BY THE PORTFOLIOS**

In order to meet the requirements of various types of shareholders, the SICAV may offer different Share Classes within each Portfolio. Unless otherwise specified elsewhere in this Prospectus, all the Portfolios may offer A Shares, B Shares, D Shares, L Shares, T Shares, Z Shares, I Shares, S Shares, W Shares and X Shares, representing various features and charging structures as described below. Some Share Classes are available only to certain sub-distributors and Eligible Investors.

Shares are further divided and named according to their currency of denomination, hedging policy (if applicable), and distribution policy, as described below.

As at the date of this prospectus, CNH denominated Share Classes are not available to retail investors in Hong Kong.

A list of the Share Classes available as at the date of this Prospectus is included within this loose leaf, under "Available Share Classes".

## Share Classes' Features

### A. Initial Offering Price per Share

See table below, the initial offering price for the Share Classes is shown below in each currency in which they may be made available, to the exclusion of any potential initial sales charge.

| Shares:   | EUR | USD | GBP | CHF | SEK | SGD | AUD | CNH | HKD |
|-----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| A Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| B Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| D Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| I Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| S Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| W Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| X Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| Z Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| L Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| T Shares  | 10  | 10  | 10  | 10  | 100 | 10  | 10  | 100 | 100 |
| Class M   | n/a | 26  | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Class MGH | n/a | n/a | 15  | n/a | n/a | n/a | n/a | n/a | n/a |
| Class WS  | 27  | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

### B. Minimum Initial Investment

The minimum initial investment amount for the Share Class within a Portfolio is shown in the table below. The minimum initial investment amount may be waived at the discretion of the board of directors of the Management Company, provided the principle of fair and equal treatment between Shareholders be respected. For Shares purchased through a sub-distributor, different minimum initial investment amounts may apply, as determined by the sub-distributors through which the Shares are subscribed.

| Class                  | EUR       | USD                   | GBP       | CHF       | SEK        | SGD       | AUD       | CNH        | HKD        |
|------------------------|-----------|-----------------------|-----------|-----------|------------|-----------|-----------|------------|------------|
| A Shares <sup>15</sup> | 2,500     | 2,500                 | 2,000     | 3,500     | 20,000     | 2,500     | 2,500     | 20,000     | 20,000     |
| B Shares               | 2,500     | 2,500                 | 2,000     | 3,500     | 20,000     | 2,500     | 2,500     | 20,000     | 20,000     |
| D Shares <sup>16</sup> | 2,500     | 2,500                 | 2,000     | 3,500     | 20,000     | 2,500     | 2,500     | 20,000     | 20,000     |
| I Shares               | 100,000   | 100,000 <sup>17</sup> | 100,000   | 150,000   | 1,000,000  | 100,000   | 100,000   | 1,000,000  | 1,000,000  |
| S Shares               | 2,500     | 2,500                 | 2,000     | 3,500     | 20,000     | 2,500     | 2,500     | 20,000     | 20,000     |
| W Shares               | 10,000    | 10,000                | 10,000    | n/a       | n/a        | n/a       | n/a       | n/a        | n/a        |
| X Shares               | 5,000,000 | 5,000,000             | 3,000,000 | 7,500,000 | 30,000,000 | 5,000,000 | 5,000,000 | 30,000,000 | 30,000,000 |
| Z Shares               | 1,500,000 | 2,000,000             | 1,000,000 | 1,500,000 | 10,000,000 | 2,000,000 | 2,000,000 | 10,000,000 | 10,000,000 |
| L Shares               | 100,000   | 100,000               | 100,000   | 150,000   | 1,000,000  | 100,000   | 100,000   | 1,000,000  | 1,000,000  |
| T Shares               | 5,000,000 | 5,000,000             | 3,000,000 | 7,500,000 | 30,000,000 | 5,000,000 | 5,000,000 | 30,000,000 | 30,000,000 |
| Class M                | n/a       | 10,000,000            | n/a       | n/a       | n/a        | n/a       | n/a       | n/a        | n/a        |
| Class MGH              | n/a       | n/a                   | 6,000,000 | n/a       | n/a        | n/a       | n/a       | n/a        | n/a        |

<sup>15</sup> Except for the Portfolio Diversified Alternative Risk Premia, in which the minimum initial investment for A Shares shall be EUR 125,000 or its equivalent in the relevant currency.

<sup>16</sup> Except for the Portfolio Diversified Alternative Risk Premia, in which the minimum initial investment for D Shares shall be EUR 125,000 or its equivalent in the relevant currency.

<sup>17</sup> Except for the Portfolios STANLIB Africa Equity and STANLIB Global Emerging Markets Property Securities, in which the minimum initial investment for USD denominated I Shares shall be USD 50,000.

## C. Meaning of Letters in a Share Class Names

### 1. Share Classes

#### a) First Letter – Name of Share Class

| Letter     | Meaning   |
|------------|---|
| <b>"A"</b> | <ul style="list-style-type: none"> <li>– intended for both retail and Institutional Investors</li> <li>– different fee structure from the B Shares, D Shares, T Shares and the Z Shares</li> <li>– minimum subscription amount identical to that of the corresponding D Shares but lower than that of the corresponding T Shares and Z Shares</li> </ul>  |
| <b>"B"</b> | <ul style="list-style-type: none"> <li>– the Shares have a CDSC</li> <li>– intended for both retail and Institutional Investors</li> <li>– different fee structure from the A Shares, D Shares, T Shares and the Z Shares</li> <li>– Shares are available only to investors in Taiwan (with the exception of the Portfolio "Global Technology", which is only available for subsequent investments and not for new subscriptions)</li> </ul>  |
| <b>"D"</b> | <ul style="list-style-type: none"> <li>– intended for both retail and Institutional Investors</li> <li>– different fee structure from the A Shares, B Shares, T Shares and the Z Shares</li> <li>– minimum subscription amount identical to that of the corresponding A Shares and B Shares but lower than that of the corresponding T Shares and Z Shares</li> </ul>   |
| <b>"I"</b> | <ul style="list-style-type: none"> <li>– Institutional Share Class</li> <li>– lower minimum initial subscription amount than X Shares</li> </ul>  |
| <b>"L"</b> | <ul style="list-style-type: none"> <li>– Institutional Share Class</li> <li>– Shares will only be available, at the discretion of the Management Company, for a fixed period of time or until the total Net Asset Value of the Portfolio reaches or is greater than USD 100,000,000, or an equivalent amount in another currency, or any other amount determined by the Management Company</li> <li>– Once the available time period expires or the total Net Asset Value of a Portfolio reaches or is greater than USD 100,000,000 or equivalent amount in another currency, or any other amount determined by the Management Company, the L Shares in that Portfolio will be closed to subscriptions</li> <li>– The Management Company reserves the right to limit the total amount of L shares allocated to a single investor</li> </ul> |
| <b>"M"</b> | <ul style="list-style-type: none"> <li>– intended for exclusive availability to the clients of Mondrian Investment Partners Limited<br/>(Available only in the Portfolio "Mondrian Investment Partners – Emerging Markets Equity")</li> </ul>   |
| <b>"P"</b> | <ul style="list-style-type: none"> <li>– intended for distribution to existing Shareholders only</li> <li>– dividend paying</li> </ul>  |
| <b>"S"</b> | <ul style="list-style-type: none"> <li>– exclusively available to Shareholders subscribing through certain select sub-distributors</li> </ul>   |
| <b>"T"</b> | <ul style="list-style-type: none"> <li>– intended for both retail and Institutional Investors</li> <li>– different fee structure from the A Shares, B Shares, D Shares, and Z Shares</li> <li>– minimum subscription amount higher than that of the corresponding A Shares, D Shares and Z Shares</li> <li>– available, at the discretion of the Management Company, to eligible distributors that have entered into separate fee arrangements with their clients</li> </ul>  |
| <b>"W"</b> | <ul style="list-style-type: none"> <li>– intended for distribution to existing Shareholders only</li> </ul>   |
| <b>"X"</b> | <ul style="list-style-type: none"> <li>– Institutional Share Class</li> <li>– higher minimum initial subscription amount than I Shares</li> </ul>   |
| <b>"Z"</b> | <ul style="list-style-type: none"> <li>– intended for both retail and Institutional Investors</li> <li>– different fee structure from the A Shares, B Shares, D Shares and T Shares</li> <li>– minimum subscription amount higher than that of the corresponding A Shares, B Shares, D Shares and/or T Shares</li> <li>– available, at the discretion of the Management Company, to eligible distributors that have entered into separate fee arrangements with their clients</li> </ul>  |

**b) Second Letter – Currency of Share Class (if relevant)**

| Letter | Meaning              |
|--------|----------------------|
| "E"    | – denominated in EUR |
| "F"    | – denominated in CHF |
| "G"    | – denominated in GBP |
| "K"    | – denominated in SEK |
| "Q"    | – denominated in HKD |
| "R"    | – denominated in CNH |
| "S"    | – denominated in SGD |
| "U"    | – denominated in USD |
| "V"    | – denominated in AUD |

**c) Third Letter (if relevant) – Other Feature of the Share Class**

| Letter | Meaning  |
|--------|--|
| "C"    | – dividend paying Share Class<br>– hedging between the currency of the Share Class and the Base Currency of the Portfolio<br><i>Share Class hedging is done with the objective of minimising currency risk exposure, however it may increase or decrease the return to investors holding Shares of hedged Share Classes.</i> |
| "H"    | – hedging between the currency of the Share Class and the Base Currency of the Portfolio<br><i>Share Class hedging is done with the objective of minimising currency risk exposure, however it may increase or decrease the return to investors holding Shares of hedged Share Classes.</i>                                  |
| "P"    | – dividend paying Share Class  |

**D. Fees**

A summary of the fees associated with an investment in each Share Class for each Portfolio, including any applicable Asset Management Fee or front-end sales charges, is found in the section entitled "Fees and Expenses" and in Appendices C, D, E, F, G, H, I, J, K and L of this Prospectus (except with respect to Class M and MGH for which charges are described directly in the body of this Prospectus).

March 2017



## Available Share Classes

The following Portfolios and Share Classes are available for subscription (subject to any restrictions as described above) as at 31 January 2017. Such list may be updated from time to time, and the latest list may be obtained, free of charge, from the registered office of the SICAV.

| ISIN Code                  | Portfolio                               | Class | Class Currency |
|----------------------------|---|-------|----------------|
| <b>The Bond Portfolios</b> |   |       |                |
| LU0640467055               | Global Strategic Bond                   | AEH   | EUR            |
| LU0061474457               | Global Strategic Bond                   | AU    | USD            |
| LU0640467485               | Global Strategic Bond                   | DEH   | EUR            |
| LU0096352892               | Global Strategic Bond                   | DU    | USD            |
| LU0042998335               | Global Strategic Bond                   | W     | USD            |
| LU0849392344               | Global Strategic Bond                   | DEC   | EUR            |
| LU0096353940               | European Strategic Bond                 | AE    | EUR            |
| LU0713493574               | European Strategic Bond                 | AEP   | EUR            |
| LU0096354914               | European Strategic Bond                 | DE    | EUR            |
| LU0849392427               | European Strategic Bond                 | DEP   | EUR            |
| LU0096355309               | European Strategic Bond                 | IE    | EUR            |
| LU0042998178               | European Strategic Bond                 | W     | EUR            |
| LU0713368677               | Emerging Market Corporate Bonds         | AEC   | EUR            |
| LU0143865482               | Emerging Market Corporate Bonds         | AEH   | EUR            |
| LU0640468962               | Emerging Market Corporate Bonds         | ASH   | SGD            |
| LU0640468533               | Emerging Market Corporate Bonds         | AU    | USD            |
| LU0198719758               | Emerging Market Corporate Bonds         | AUP   | USD            |
| LU0849392690               | Emerging Market Corporate Bonds         | DEC   | EUR            |
| LU0143866290               | Emerging Market Corporate Bonds         | DEH   | EUR            |
| LU0198721143               | Emerging Market Corporate Bonds         | DU    | USD            |
| LU0248373861               | Emerging Market Corporate Bonds         | IEH   | EUR            |
| LU0143867421               | Emerging Market Corporate Bonds         | P     | USD            |
| LU0143867850               | Emerging Market Corporate Bonds         | W     | USD            |
| LU0713369212               | Emerging Market Corporate Bonds         | WEH   | EUR            |
| LU1502279927               | Emerging Market Corporate Bonds         | XUP   | USD            |
| LU0348323824               | Emerging Market Debt                    | AEC   | EUR            |
| LU0198725649               | Emerging Market Debt                    | AEH   | EUR            |
| LU0640469770               | Emerging Market Debt                    | ASH   | SGD            |
| LU0061474614               | Emerging Market Debt                    | AU    | USD            |
| LU0198726027               | Emerging Market Debt                    | AUP   | USD            |
| LU0198719832               | Emerging Market Debt                    | DEH   | EUR            |
| LU0096356455               | Emerging Market Debt                    | DU    | USD            |
| LU0329574122               | Emerging Market Debt                    | IEH   | EUR            |
| LU0202640719               | Emerging Market Debt                    | SU    | USD            |
| LU0202641105               | Emerging Market Debt                    | SUP   | USD            |
| LU0096356703               | Emerging Market Debt                    | W     | USD            |
| LU1502280008               | Emerging Market Debt                    | XUP   | USD            |
| LU0957778219               | Emerging Market Debt                    | ZU    | USD            |
| LU0348324392               | Global Emerging Market Short-Term Bonds | AEC   | EUR            |
| LU0198725300               | Global Emerging Market Short-Term Bonds | AEH   | EUR            |
| LU0880371892               | Global Emerging Market Short-Term Bonds | ASC   | SGD            |
| LU0640470513               | Global Emerging Market Short-Term Bonds | ASH   | SGD            |
| LU0198726373               | Global Emerging Market Short-Term Bonds | AU    | USD            |
| LU0281377290               | Global Emerging Market Short-Term Bonds | AUP   | USD            |
| LU0198724758               | Global Emerging Market Short-Term Bonds | DEH   | EUR            |
| LU0198724915               | Global Emerging Market Short-Term Bonds | DU    | USD            |
| LU0329574395               | Global Emerging Market Short-Term Bonds | IEH   | EUR            |
| LU0198724246               | Global Emerging Market Short-Term Bonds | W     | USD            |
| LU0957781866               | Global Emerging Market Short-Term Bonds | ZEH   | EUR            |

| ISIN Code    | Portfolio                          | Class | Class Currency |
|--------------|------------------------------------|-------|----------------|
| LU0713424926 | US High Yield Bond                 | AEC   | EUR            |
| LU0180519406 | US High Yield Bond                 | AEH   | EUR            |
| LU0640471321 | US High Yield Bond                 | ASH   | SGD            |
| LU0180519315 | US High Yield Bond                 | AU    | USD            |
| LU0259967718 | US High Yield Bond                 | AUP   | USD            |
| LU0849392773 | US High Yield Bond                 | DEC   | EUR            |
| LU0180519828 | US High Yield Bond                 | DEH   | EUR            |
| LU0180519661 | US High Yield Bond                 | DU    | USD            |
| LU0329574551 | US High Yield Bond                 | IEH   | EUR            |
| LU1491344336 | US High Yield Bond                 | TEH   | EUR            |
| LU1433070775 | US High Yield Bond                 | ZGH   | GBP            |
| LU0957784613 | US High Yield Bond                 | ZU    | USD            |
| LU1491344682 | US High Yield Bond                 | XUP   | USD            |
|              |                                    |       |                |
| LU0932065849 | Flexible Asian Bond                | AEH   | EUR            |
| LU0932066144 | Flexible Asian Bond                | ASH   | SGD            |
| LU0932065682 | Flexible Asian Bond                | AU    | USD            |
| LU0932066573 | Flexible Asian Bond                | ASC   | SGD            |
| LU0932066227 | Flexible Asian Bond                | AUP   | USD            |
| LU0932066813 | Flexible Asian Bond                | DEH   | EUR            |
| LU0932067977 | Flexible Asian Bond                | IEH   | EUR            |
| LU0932068272 | Flexible Asian Bond                | IGH   | GBP            |
| LU0932068355 | Flexible Asian Bond                | ISH   | SGD            |
| LU0932067621 | Flexible Asian Bond                | IU    | USD            |
| LU1518580821 | Flexible Asian Bond                | XU    | USD            |
| LU1035768495 | Flexible Asian Bond                | ZU    | USD            |
|              |                                    |       |                |
| LU1062006454 | Global Corporate Bond              | AEC   | EUR            |
| LU1062005308 | Global Corporate Bond              | AEH   | EUR            |
| LU1062006611 | Global Corporate Bond              | AKH   | SEK            |
| LU1062005217 | Global Corporate Bond              | AU    | USD            |
| LU1062006371 | Global Corporate Bond              | AUP   | USD            |
| LU1062006967 | Global Corporate Bond              | DEH   | EUR            |
| LU1062006884 | Global Corporate Bond              | DU    | USD            |
| LU1062007346 | Global Corporate Bond              | IEH   | EUR            |
| LU1062007775 | Global Corporate Bond              | IGH   | GBP            |
| LU1062007932 | Global Corporate Bond              | IKH   | SEK            |
| LU1062007262 | Global Corporate Bond              | IU    | USD            |
| LU1062008740 | Global Corporate Bond              | ZU    | USD            |
| LU1062008823 | Global Corporate Bond              | ZGH   | USD            |
|              |                                    |       |                |
| LU1403597260 | US Investment Grade Corporate Bond | AU    | USD            |
| LU1403597690 | US Investment Grade Corporate Bond | AEH   | EUR            |
| LU1403597773 | US Investment Grade Corporate Bond | DU    | USD            |
| LU1403597856 | US Investment Grade Corporate Bond | DEH   | EUR            |
| LU1403597930 | US Investment Grade Corporate Bond | IU    | USD            |
| LU1403598078 | US Investment Grade Corporate Bond | IEC   | EUR            |
| LU1403598151 | US Investment Grade Corporate Bond | IEH   | EUR            |
| LU1403598409 | US Investment Grade Corporate Bond | IFH   | CHF            |
| LU1403598581 | US Investment Grade Corporate Bond | IUP   | USD            |
| LU1502279844 | US Investment Grade Corporate Bond | XUP   | USD            |
| LU1403598821 | US Investment Grade Corporate Bond | ZU    | USD            |
| LU1403599043 | US Investment Grade Corporate Bond | ZEH   | EUR            |

| ISIN Code                              | Portfolio                       | Class | Class Currency |
|--|---------------------------------|-------|----------------|
| <b>The Asset Allocation Portfolios</b> |                                 |       |                |
| LU0348324558                           | Global Asset Allocation         | AEC   | EUR            |
| LU0198727850                           | Global Asset Allocation         | AEH   | EUR            |
| LU0061474705                           | Global Asset Allocation         | AU    | USD            |
| LU0276348264                           | Global Asset Allocation         | AUP   | USD            |
| LU0198728239                           | Global Asset Allocation         | DEH   | EUR            |
| LU0096359046                           | Global Asset Allocation         | DU    | USD            |
| LU0640472725                           | Global Asset Allocation         | IGH   | GBP            |
| LU0096360051                           | Global Asset Allocation         | IU    | USD            |
| LU0042999069                           | Global Asset Allocation         | W     | USD            |
| LU1102542534                           | Global Multi Asset Income       | AEC   | EUR            |
| LU0640488994                           | Global Multi Asset Income       | AEH   | EUR            |
| LU1297909035                           | Global Multi Asset Income       | AEP   | EUR            |
| LU0640488648                           | Global Multi Asset Income       | AU    | USD            |
| LU1297908904                           | Global Multi Asset Income       | AUP   | USD            |
| LU1102555510                           | Global Multi Asset Income       | DEC   | EUR            |
| LU1297908730                           | Global Multi Asset Income       | DEP   | EUR            |
| LU0640489612                           | Global Multi Asset Income       | DU    | USD            |
| LU1129921117                           | Global Multi Asset Income       | DUP   | USD            |
| LU1132616415                           | Global Multi Asset Income       | ZEC   | EUR            |
| <b>The Equity Portfolios</b>           |                                 |       |                |
| LU0198728585                           | Global Focus                    | AEH   | EUR            |
| LU1433070262                           | Global Focus                    | AEP   | EUR            |
| LU0061474960                           | Global Focus                    | AU    | USD            |
| LU0198729047                           | Global Focus                    | DEH   | EUR            |
| LU0096362180                           | Global Focus                    | DU    | USD            |
| LU0042999655                           | Global Focus                    | W     | USD            |
| LU1433070429                           | Global Focus                    | ZE    | EUR            |
| LU1433070346                           | Global Focus                    | ZEP   | EUR            |
| LU1433070692                           | Global Focus                    | ZG    | GBP            |
| LU1433070775                           | Global Focus                    | ZGH   | GBP            |
| LU0957791311                           | Global Focus                    | ZU    | USD            |
| LU1433070189                           | Global Focus                    | XU    | USD            |
| LU0198729559                           | Global Emerging Market Equities | AEH   | EUR            |
| LU0143863198                           | Global Emerging Market Equities | AU    | USD            |
| LU0198729989                           | Global Emerging Market Equities | DEH   | EUR            |
| LU0143863784                           | Global Emerging Market Equities | DU    | USD            |
| LU0329574981                           | Global Emerging Market Equities | IEH   | EUR            |
| LU0143864758                           | Global Emerging Market Equities | W     | USD            |
| LU0957793010                           | Global Emerging Market Equities | ZU    | USD            |
| LU0198731290                           | American                        | AEH   | EUR            |
| LU0061475181                           | American                        | AU    | USD            |
| LU0198731530                           | American                        | DEH   | EUR            |
| LU0096364046                           | American                        | DU    | USD            |
| LU0329575285                           | American                        | IEH   | EUR            |
| LU0096364715                           | American                        | IU    | USD            |
| LU0043004323                           | American                        | W     | USD            |
| LU0198732421                           | American Select                 | AEH   | EUR            |
| LU0112528004                           | American Select                 | AU    | USD            |
| LU0198732934                           | American Select                 | DEH   | EUR            |
| LU0112528269                           | American Select                 | DU    | USD            |

| ISIN Code    | Portfolio                            | Class | Class Currency |
|--------------|--------------------------------------|-------|----------------|
| LU0329575525 | American Select                      | IEH   | EUR            |
| LU0112528343 | American Select                      | W     | USD            |
| LU0957797193 | American Select                      | ZFH   | CHF            |
| LU1280957728 | US Contrarian Core Equities          | AEC   | EUR            |
| LU0640476809 | US Contrarian Core Equities          | AEH   | EUR            |
| LU0640477013 | US Contrarian Core Equities          | ASH   | SGD            |
| LU0640476718 | US Contrarian Core Equities          | AU    | USD            |
| LU1280957306 | US Contrarian Core Equities          | AUP   | USD            |
| LU0640477286 | US Contrarian Core Equities          | DEH   | EUR            |
| LU0640477104 | US Contrarian Core Equities          | DU    | USD            |
| LU0640478177 | US Contrarian Core Equities          | IFH   | CHF            |
| LU0640477955 | US Contrarian Core Equities          | IU    | USD            |
| LU1529586411 | US Contrarian Core Equities          | XS    | SGD            |
| LU1529586767 | US Contrarian Core Equities          | XSH   | SGD            |
| LU0957798241 | US Contrarian Core Equities          | ZU    | USD            |
| LU0957798670 | US Contrarian Core Equities          | ZEH   | EUR            |
| LU0957798753 | US Contrarian Core Equities          | ZFH   | CHF            |
| LU0957798910 | US Contrarian Core Equities          | ZGH   | GBP            |
| LU0061476155 | Pan European Equities                | AE    | EUR            |
| LU0640478417 | Pan European Equities                | ASH   | SGD            |
| LU0096368971 | Pan European Equities                | DE    | EUR            |
| LU0329573405 | Pan European Equities                | IE    | EUR            |
| LU0043005569 | Pan European Equities                | W     | EUR            |
| LU0584940117 | Pan European Equities                | XE    | EUR            |
| LU0972486137 | Pan European Equities                | AUH   | USD            |
| LU0957799991 | Pan European Equities                | ZUH   | USD            |
| LU0282719219 | Pan European Small Cap Opportunities | AE    | EUR            |
| LU0640478920 | Pan European Small Cap Opportunities | ASH   | SGD            |
| LU0282720225 | Pan European Small Cap Opportunities | DE    | EUR            |
| LU0329573587 | Pan European Small Cap Opportunities | IE    | EUR            |
| LU0299975861 | Pan European Small Cap Opportunities | W     | EUR            |
| LU0198731027 | Asian Equity Income                  | AEH   | EUR            |
| LU0061477393 | Asian Equity Income                  | AU    | USD            |
| LU0198730995 | Asian Equity Income                  | DEH   | EUR            |
| LU0096374516 | Asian Equity Income                  | DU    | USD            |
| LU0052699542 | Asian Equity Income                  | W     | USD            |
| LU0886674844 | Asian Equity Income                  | ZGH   | GBP            |
| LU1417843668 | Asian Equity Income                  | ZUP   | USD            |
| LU0198730565 | Greater China Equities               | AEH   | EUR            |
| LU0143879608 | Greater China Equities               | AU    | USD            |
| LU0198730219 | Greater China Equities               | DEH   | EUR            |
| LU0143880101 | Greater China Equities               | DU    | USD            |
| LU0143881505 | Greater China Equities               | W     | USD            |
| LU0198729633 | Global Energy Equities               | AEH   | EUR            |
| LU0143868585 | Global Energy Equities               | AU    | USD            |
| LU0198729393 | Global Energy Equities               | DEH   | EUR            |
| LU0143868825 | Global Energy Equities               | DU    | USD            |
| LU0143870052 | Global Energy Equities               | W     | USD            |

| ISIN Code    | Portfolio  | Class | Class Currency |
|--------------|--|-------|----------------|
| LU0444972557 | Global Technology                                      | AEH   | EUR            |
| LU0444971666 | Global Technology                                      | AU    | USD            |
| LU0476273544 | Global Technology                                      | BU    | USD            |
| LU0444973449 | Global Technology                                      | DU    | USD            |
| LU0957808578 | Global Technology                                      | ZU    | USD            |
| LU0246209059 | Mondrian Investment Partners – Emerging Markets Equity | M     | USD            |
| LU0713323730 | UK Equities  | AEH   | EUR            |
| LU0713318490 | UK Equities  | AG    | GBP            |
| LU0713318813 | UK Equities  | AGP   | GBP            |
| LU0713323227 | UK Equities  | IEH   | EUR            |
| LU0713324548 | UK Equities  | IG    | GBP            |
| LU0713326329 | UK Equities  | IGP   | GBP            |
| LU0957810475 | UK Equities  | ZEH   | EUR            |
| LU0957810558 | UK Equities  | ZFH   | CHF            |
| LU0815284467 | UK Equities  | ZG    | GBP            |
| LU1297908573 | UK Equities  | ZGP   | GBP            |
| LU0957810129 | UK Equities  | ZUH   | USD            |
| LU0713326832 | European Select  | AE    | EUR            |
| LU0713331832 | European Select  | AGH   | GBP            |
| LU0713328705 | European Select  | AUH   | USD            |
| LU0713328374 | European Select  | IE    | EUR            |
| LU0815285605 | European Select  | ZGH   | GBP            |
| LU0570870567 | Global Smaller Companies                               | AE    | EUR            |
| LU0570871292 | Global Smaller Companies                               | AGH   | GBP            |
| LU0570871375 | Global Smaller Companies                               | DE    | EUR            |
| LU0570871706 | Global Smaller Companies                               | IE    | EUR            |
| LU0570872266 | Global Smaller Companies                               | IGH   | GBP            |
| LU1518581639 | Global Smaller Companies                               | XGH   | GBP            |
| LU0815285274 | Global Smaller Companies                               | ZGH   | GBP            |
| LU1273581923 | Asia Contrarian Equity                                 | AE    | EUR            |
| LU1273582574 | Asia Contrarian Equity                                 | AF    | CHF            |
| LU1044874839 | Asia Contrarian Equity                                 | ASH   | SGD            |
| LU1044875133 | Asia Contrarian Equity                                 | AU    | USD            |
| LU1044875562 | Asia Contrarian Equity                                 | ISH   | SGD            |
| LU1273582228 | Asia Contrarian Equity                                 | DE    | EUR            |
| LU1273582061 | Asia Contrarian Equity                                 | IE    | EUR            |
| LU1273582657 | Asia Contrarian Equity                                 | IF    | CHF            |
| LU1044875729 | Asia Contrarian Equity                                 | IU    | USD            |
| LU1518580078 | Asia Contrarian Equity                                 | XUP   | USD            |
| LU1273582145 | Asia Contrarian Equity                                 | ZE    | EUR            |
| LU1044876453 | Asia Contrarian Equity                                 | ZEH   | EUR            |
| LU1273582731 | Asia Contrarian Equity                                 | ZF    | CHF            |
| LU1044876610 | Asia Contrarian Equity                                 | ZU    | USD            |
| LU1273584604 | Asian Focus  | AE    | EUR            |
| LU1273585080 | Asian Focus  | AF    | CHF            |
| LU1044877188 | Asian Focus  | AU    | USD            |
| LU1273584786 | Asian Focus  | IE    | EUR            |
| LU1273585163 | Asian Focus  | IF    | CHF            |
| LU1044877857 | Asian Focus  | IU    | USD            |

| ISIN Code                             | Portfolio   | Class | Class Currency |
|---------------------------------------|---|-------|----------------|
| LU1044878319                          | Asian Focus   | ZU    | USD            |
| LU1044876966                          | Asian Focus   | ASH   | SGD            |
| LU1273584943                          | Asian Focus   | DE    | EUR            |
| LU1044877428                          | Asian Focus   | DEH   | EUR            |
| LU1044877691                          | Asian Focus   | ISH   | SGD            |
| LU1518580581                          | Asian Focus   | XUP   | USD            |
| LU1273584869                          | Asian Focus   | ZE    | EUR            |
| LU1044878152                          | Asian Focus   | ZEH   | EUR            |
| LU1273585247                          | Asian Focus   | ZF    | CHF            |
|                                       |   |       |                |
| LU1273582814                          | Developed Asia Growth and Income                    | AE    | EUR            |
| LU1273583119                          | Developed Asia Growth and Income                    | AEP   | EUR            |
| LU1273583978                          | Developed Asia Growth and Income                    | AF    | CHF            |
| LU1273584356                          | Developed Asia Growth and Income                    | AFP   | CHF            |
| LU1044873351                          | Developed Asia Growth and Income                    | ASC   | SGD            |
| LU1044873435                          | Developed Asia Growth and Income                    | ASH   | SGD            |
| LU1044872973                          | Developed Asia Growth and Income                    | AU    | USD            |
| LU1044873518                          | Developed Asia Growth and Income                    | AUP   | USD            |
| LU1116211449                          | Developed Asia Growth and Income                    | AVC   | AUD            |
| LU1044875133                          | Developed Asia Growth and Income                    | AVH   | AUD            |
| LU1044873864                          | Developed Asia Growth and Income                    | ISH   | SGD            |
| LU1273583549                          | Developed Asia Growth and Income                    | DE    | EUR            |
| LU1273582905                          | Developed Asia Growth and Income                    | IE    | EUR            |
| LU1273583200                          | Developed Asia Growth and Income                    | IEP   | EUR            |
| LU1273584190                          | Developed Asia Growth and Income                    | IF    | CHF            |
| LU1273584430                          | Developed Asia Growth and Income                    | IFP   | CHF            |
| LU1044873781                          | Developed Asia Growth and Income                    | IU    | USD            |
| LU1273583622                          | Developed Asia Growth and Income                    | IUP   | USD            |
| LU1273583036                          | Developed Asia Growth and Income                    | ZE    | EUR            |
| LU1044874243                          | Developed Asia Growth and Income                    | ZEH   | EUR            |
| LU1273583465                          | Developed Asia Growth and Income                    | ZEP   | EUR            |
| LU1273584273                          | Developed Asia Growth and Income                    | ZF    | CHF            |
| LU1273584513                          | Developed Asia Growth and Income                    | ZFP   | CHF            |
| LU1044874599                          | Developed Asia Growth and Income                    | ZU    | USD            |
| LU1273583895                          | Developed Asia Growth and Income                    | ZUP   | USD            |
|                                       |   |       |                |
| LU1048245523                          | STANLIB Africa Equity                               | IU    | USD            |
| LU1048246174                          | STANLIB Africa Equity                               | ZU    | USD            |
|                                       |   |       |                |
| LU1048246844                          | STANLIB Global Emerging Markets Property Securities | IU    | USD            |
|                                       |   |       |                |
| <b>The Absolute Return Portfolios</b> |   |       |                |
| LU0515763810                          | American Absolute Alpha                             | AEH   | EUR            |
| LU0515763901                          | American Absolute Alpha                             | AFH   | CHF            |
| LU0515764032                          | American Absolute Alpha                             | AGH   | GBP            |
| LU0515763737                          | American Absolute Alpha                             | AU    | USD            |
| LU0515764206                          | American Absolute Alpha                             | DEH   | EUR            |
| LU0515764115                          | American Absolute Alpha                             | DU    | USD            |
| LU0515764628                          | American Absolute Alpha                             | IEH   | EUR            |
| LU0515765278                          | American Absolute Alpha                             | IGH   | GBP            |
| LU0515764461                          | American Absolute Alpha                             | IU    | USD            |
| LU0815284624                          | American Absolute Alpha                             | ZGH   | GBP            |
|                                       |   |       |                |
| LU0640492830                          | Global Opportunities Bond                           | AEH   | EUR            |
| LU0640493218                          | Global Opportunities Bond                           | AGH   | GBP            |
| LU0640492673                          | Global Opportunities Bond                           | AU    | USD            |



| ISIN Code                       | Portfolio                           | Class | Class Currency |
|---------------------------------|-------------------------------------|-------|----------------|
| LU0640493994                    | Global Opportunities Bond           | DEH   | EUR            |
| LU0640493648                    | Global Opportunities Bond           | DU    | USD            |
| LU0640495429                    | Global Opportunities Bond           | IEH   | EUR            |
| LU0640495775                    | Global Opportunities Bond           | IFH   | CHF            |
| LU0640495262                    | Global Opportunities Bond           | IU    | USD            |
| LU0815285431                    | Global Opportunities Bond           | ZGH   | GBP            |
| LU1400363070                    | Diversified Alternative Risk Premia | AEC   | EUR            |
| LU1400363237                    | Diversified Alternative Risk Premia | AEH   | EUR            |
| LU1400363401                    | Diversified Alternative Risk Premia | DEH   | EUR            |
| LU1400363666                    | Diversified Alternative Risk Premia | IEH   | EUR            |
| LU1400364045                    | Diversified Alternative Risk Premia | IU    | USD            |
| LU1400364391                    | Diversified Alternative Risk Premia | IGH   | GBP            |
| LU1400364557                    | Diversified Alternative Risk Premia | IVH   | AUD            |
| LU1400364805                    | Diversified Alternative Risk Premia | ISH   | SGD            |
| LU1502279760                    | Diversified Alternative Risk Premia | LU    | USD            |
| LU1491344419                    | Diversified Alternative Risk Premia | LEH   | EUR            |
| LU1491344500                    | Diversified Alternative Risk Premia | LGH   | GBP            |
| LU1400365018                    | Diversified Alternative Risk Premia | ZU    | USD            |
| LU1400365281                    | Diversified Alternative Risk Premia | ZEH   | EUR            |
| LU1400365448                    | Diversified Alternative Risk Premia | ZFH   | CHF            |
| <b>The Specialist Portfolio</b> |                                     |       |                |
| LU0515768454                    | Enhanced Commodities                | AEH   | EUR            |
| LU0515768611                    | Enhanced Commodities                | AFH   | CHF            |
| LU0515768884                    | Enhanced Commodities                | AGH   | GBP            |
| LU0640496401                    | Enhanced Commodities                | ASH   | SGD            |
| LU0515768298                    | Enhanced Commodities                | AU    | USD            |
| LU0515769429                    | Enhanced Commodities                | DEH   | EUR            |
| LU0515769262                    | Enhanced Commodities                | DU    | USD            |
| LU0515769932                    | Enhanced Commodities                | IEH   | EUR            |
| LU0515770278                    | Enhanced Commodities                | IFH   | CHF            |
| LU0515770435                    | Enhanced Commodities                | IGH   | GBP            |
| LU0815286595                    | Enhanced Commodities                | IKH   | SEK            |
| LU0515769775                    | Enhanced Commodities                | IU    | USD            |
| LU0584929730                    | Enhanced Commodities                | XGH   | GBP            |
| LU0584929227                    | Enhanced Commodities                | XU    | USD            |
| LU0957824260                    | Enhanced Commodities                | ZEH   | EUR            |
| LU0957824427                    | Enhanced Commodities                | ZFH   | CHF            |
| LU0815286082                    | Enhanced Commodities                | ZGH   | GBP            |
| LU0915584832                    | Enhanced Commodities                | ZU    | USD            |

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