

**SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)**

**PROSPECTUS**

Relating to the permanent offer of Units of  
**SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)**

a mutual investment umbrella fund (*fonds commun de placement à compartiments multiples*)  
organised under the Laws of the Grand-Duchy of Luxembourg

**29 July 2024**

VISA 2024/177160-11651-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2024-08-07  
Commission de Surveillance du Secteur Financier

**THIS PROSPECTUS IS IMPORTANT. If you are in any doubt about the contents of this Prospectus, you should consult your bank manager, stockbroker, solicitor, accountant or other financial adviser. This Prospectus should be read and understood before an investment is made.**

The distribution of this Prospectus and/or the Application Form and the offering of Units are lawfully undertaken in those jurisdictions where the Fund has been authorised for distribution. It is the responsibility of any person in possession of this Prospectus and/or Application Form and any person wishing to make application for Units pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions including any applicable foreign exchange restrictions or exchange control regulations and possible taxation consequences in the countries of their respective citizenship, residence or domicile. (See also any addendum accompanying this Prospectus with additional information for investors in relevant jurisdictions.)

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

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Management Company. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof. It is understood that the information contained in this Prospectus must be up-to-date at any time.

In particular, the Units have not been registered under the United States Securities Act of 1933, as amended, or under the securities laws of any State and the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Units may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US person. (See "Further Information: General" for definition of US persons.)

**The Units referred to in this Prospectus are offered solely on the basis of the information contained herein and in the reports referred to in this Prospectus. In connection with the offer hereby made, no person is authorised to give any information or to make any representations other than those 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 contained in this Prospectus shall be solely at the risk of the purchaser.**

**Investors should remember that the capital value and the income from their investment in Units may fluctuate and that changes in rates of exchange between currencies may have a separate effect, causing the value of their investment to decrease or to increase. Consequently, investors may, on redemption of their Units, receive an amount greater than or lesser than the amount that they originally invested.**

Further copies of this Prospectus and the Application Form may, subject as referred to above, be obtained from:

Brown Brothers Harriman (Luxembourg) S.C.A.  
80 route d'Esch, L-1470 Luxembourg  
Grand Duchy of Luxembourg  
Telephone: (352) 47 40 66  
Fax: (352) 47 4066 401

**Applications must be made on the basis of the current Prospectus accompanied by the key investor information document of the relevant Sub-Fund, the latest audited annual accounts and, if published thereafter, the latest semi-annual report.**

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## **MANAGEMENT AND ADMINISTRATION**

### **MANAGEMENT COMPANY**

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

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

#### *Chairman*

- Michel Vareika, Independent Non-Executive Director, Luxembourg

#### *Members*

- Carmel McGovern, Independent Non-Executive Director, FundRock Management Company S.A.
- Frank de Boer, Executive Director
- Karl Fuhrer, Executive Director
- David Rhydderch, Non-Executive Director

#### *Conducting officers*

- Emmanuel Nantas, Conducting Officer – Compliance
- Franck Caramelle, Conducting Officer - Alternative Investments
- Khalil Haddad –Conducting Officer - Valuation
- Franck de Boer, Conducting Officer – Accounting and Branches Functions
- Karl Fuhrer, Conducting Officer, Marketing
- Marc-Oliver Scharwath, Conducting Officer – IT
- Hugues Sebenne, Conducting Office – Risk management

### **DEPOSITARY**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch  
L-1470, Luxembourg  
Grand Duchy of Luxembourg

### **ADMINISTRATION AGENT**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch  
L-1470, Luxembourg  
Grand Duchy of Luxembourg

### **INVESTMENT MANAGER**

Sumitomo Mitsui Trust Asset Management Co., Ltd.  
1-1-1 Shibakoen, Minato-ku, Tokyo  
Japan

### **GLOBAL DISTRIBUTOR**

Sumitomo Mitsui Trust International Limited  
155 Bishopsgate  
London EC2M 3XU  
United Kingdom

Sub-Distributors may, from time to time, with the consent of the Management Company, be appointed by the Global Distributor.

### **AUDITOR OF THE FUND**

Deloitte Audit Sàrl  
20, Boulevard de KockelscheuerL-1821 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISER (for Luxembourg law)**

Linklaters LLP  
35, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## THE FUND

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) (the “**Fund**”) organized in and under the laws of the Grand-Duchy of Luxembourg as a mutual investment umbrella fund (*fonds commun de placement à compartiments multiples*), is an unincorporated coproprietorship of securities and other assets (“**Securities**”) managed in the interest of its co-owners (“**Unitholders**”) by FundRock Management Company S.A., acting for and on behalf of the Fund (the “**Management Company**”), a company incorporated under the laws of Luxembourg and having its registered office in the Grand Duchy of Luxembourg. The assets of the Fund are segregated from those of the Management Company and from those of any other investment funds managed by the Management Company. The Fund is authorised under part 1 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the “**2010 Law**”).

The Fund is managed by the Management Company in accordance with Management Regulations originally entered into on 25 May 2018 (the “**Management Regulations**”) and last amended on 16 July 2024. The original Management Regulations have been deposited with the Luxembourg Trade and Companies Register and have been published on 25 May 2018 with the *Recueil Électronique des Sociétés et Associations (“RESA”) under RESA\_2018\_115*. The Fund is registered with the Luxembourg Trade and Companies Register under number K1895. The Management Regulations may be inspected at the Luxembourg Trade and Companies Register, and copies thereof may be obtained.

The Fund has been established on 25 May 2018 for an undetermined period. The Fund may be dissolved at any time by agreement between the Management Company and the Depositary (as hereinafter defined). The Fund will be dissolved in any case required under Luxembourg law. Any notice of dissolution will be published at the *RESA* and in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. In the event of dissolution, the Management Company will realise the assets of the Fund in the best interests of the Unitholders, and the Depositary, upon instructions given by the Management Company, will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Unitholders in proportion to their rights. As soon as the circumstance leading to the state of liquidation of the Fund arises, issue of the Units is prohibited on penalty of nullity. Repurchase of Units remains possible provided that equal treatment of Unitholders can be ensured.

## STRUCTURE

### Ownership

The ownership of a Unit in a Sub-Fund (as defined below) affords the Unitholder the opportunity of having his investment spread over the whole range of securities held by such Sub-Fund. All Units of a Sub-Fund have equal rights as to dividends and repurchase and proceeds in a liquidation.

The Management Regulations do not provide for meetings of Unitholders. However, if, within a period of sixty days following the dispatch of the annual report, Unitholders representing a majority of the registered Units in issue of the Fund request, in writing, that the Management Company be replaced, the Management Company will undertake to, within three months, identify a suitable replacement with the consent of the Depositary and the Luxembourg regulator and seek the approval of the Unitholders to proceed with a transition of the Fund to the new management company. For purposes of voting and the calculation of the majority of Units in issue, Units owned or controlled by the Management Company or any affiliate or related party (as defined in relevant accounting principles) will be excluded. If such majority of Unitholders cannot agree on a suitable replacement with the consent of the Depositary and the Luxembourg regulator, the Management Company will continue to act as the Management Company unless the requirements of this paragraph are met in subsequent years.

The Management Company, on behalf of the Fund, draws the investors’ attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, if the investor is registered himself and in his own name in the Unitholders’ register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

### The Sub-Funds

The Management Company may, from time to time create new Sub-Funds by adding further appendices to this Prospectus.

The Fund has adopted an ‘umbrella’ structure to provide investors with a choice of investment portfolios (“**Sub-Funds**”) within the same investment vehicle. Each Sub-Fund may be differentiated by its specific investment objective, policy,

currency of denomination, domicile of the target Unitholders or other specific features. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. This arrangement enables investors to select the Sub-Fund which best reflects their specific risk and return expectations as well as their diversification requirements.

### **The Classes**

The Management Company may decide to create within each Sub-Fund, different classes of Units (“Class” or “Classes”). All Classes belonging to the same Sub-Fund will be commonly invested in adherence with the specific investment objective of the relevant Sub-Fund but may differ with regard to eligible investors, hedging policies, fee structure, minimum subscription amount, dividend policy, Unitholder tax implications or other particular feature(s) as the Management Company shall decide. A separate Net Asset Value per Unit will be calculated for each issued Class of each Sub-Fund. The different features of each Class available within a Sub-Fund are identified in the appendix to this Prospectus relating to the Sub-Fund concerned.

The Management Company reserves the right to offer only one or several Classes of Units for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Management Company also reserves the right to adopt standards applicable to certain Classes of investors or transactions that permit or require the purchase of a particular Class of Units.

The Class to which an investor will subscribe will depend upon their particular arrangement with the Management Company.

### **Categories of Units**

The Units of a Class may further be sub-divided into categories of Units (“**Category**” or “**Categories**”) that either distribute (“**Distributing Units**”) or accumulate income (“**Accumulating Units**”). Reinvesting Units (as defined below) may also be issued.

Distributing Units (indicated by a ‘d’ suffix to the class designation) - For this Category of Units (where issued), the Management Company intends to declare and distribute dividends representing substantially all of the net investment income attributable to such Category. In addition to the distribution of attributable net investment income, dividends in respect of the Distributing Units of any particular Sub-Fund may be paid from realised capital gains.

Accumulating Units (indicated by a ‘a’ suffix to the class designation) - For this Category of Units, the Management Company does not intend to declare dividends. The portion of the Sub-Fund's net investment income, which is attributable to such Units, will be retained. The price of the Units of such Category will thereby reflect the capitalisation of the net investment income attributable to them.

“Reinvesting Units” (indicated by a ‘r’ suffix to the class designation) are Distributing Units where a mandate has been given by the Unitholders that dividends shall be automatically reinvested on their behalf unless specifically otherwise instructed, as further specified in section “Dividends” below.

### **MANAGEMENT COMPANY**

The Management Company was organised as a “*société anonyme*” under the laws of the Grand-Duchy of Luxembourg by notarial deed dated 10 November 2004, published in the *Mémorial C, Recueil des Sociétés et Associations* on 6 December 2004, and is approved as a management company regulated by Chapter 15 of the 2010 Law. The articles of incorporation of the Management Company were most recently amended on 9 January 2020 and published in the *Recueil Électronique des Sociétés et Associations* on 21 February 2020. The Management Company is incorporated for an undetermined period. Its registered and principal office is at 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg. The Management Company is registered with the Luxembourg Trade and Companies Register under number B 104.196. Its subscribed capital amounts to 10,000,000 Euro and is fully paid up. The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request.

The Fund is an unincorporated co-proprietorship of all its securities and other assets. For this purpose, it is managed in the interest of the Unitholders by the Management Company. The latter may undertake on behalf of the Fund and of the Unitholders any act of administration and management, including the purchase, sale, subscription and exchange of any securities, and exercise all rights directly or indirectly related to the Fund's assets.

The Board of Directors of the Management Company is responsible for the management of the Fund. Subject to its overall responsibility, control and supervision, the Management Company may delegate the day-to-day management of the investments of the Fund or any Sub-Fund to investment advisers / managers.

Unitholder information may be accessed by the Management Company, or its agents, including the Investment Manager, Administration Agent and Depositary, and such information, including tax data, may be provided to other entities, both within and outside the European Economic Area, where the information is necessary for the maintenance of records, administration or provision of services to the Unitholder.

The Management Company will receive periodic reports from the Investment Manager detailing the Fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the Fund's other service providers in relation to the services which they provide as provided for in the Investment Management Agreement and the other service providers agreements.

The investment of the assets of each Sub-Fund must comply with the 2010 Law and applicable Luxembourg laws, rules and regulations. The Management Company may impose further restrictions in respect of any Sub-Fund. The investment and borrowing restrictions applying to the Fund and each Sub-Fund are set out in section "Investment Powers and Limitations" of this Prospectus.

The Management Company may not retire or be removed from office until a Management Company is appointed as a replacement or the Fund is terminated.

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

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

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

The up-to-date remuneration policy and the details thereof, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, are available by means of a website: [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf).

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

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

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



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

## **INVESTMENT MANAGER**

The Management Company is responsible for determining the investment policy of the different Sub-Funds and the overall management and administration of the Fund.

In determining the investment policies of the Sub-Funds, the Management Company may be assisted by Sumitomo Mitsui Trust Asset Management Co., Ltd., a company incorporated in accordance with the laws of Japan as a limited company on 1 November 1986 with registration number 8010001114914 (the “**Investment Manager**”). Pursuant to the Investment Management Agreement dated 1 October 2018, as amended (the “**Investment Management Agreement**”), entered into by the Management Company and the Sumitomo Mitsui Trust Asset Management Co., Ltd. for an undetermined duration, the Sumitomo Mitsui Trust Asset Management Co., Ltd. was appointed as Investment Manager to provide day-to-day management of the Fund’s investments, subject to the overall supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Funds are invested in a manner consistent with Fund’s and Sub-Funds’ investment restrictions and that assets (including cash) belonging to the Fund and each Sub-Fund are invested in accordance with the guidelines laid down by the Management Company.

The Investment Manager may delegate any of its duties under its control to any other party (“**Sub-Manager**”) subject to approval by the Management Company and as the case may be, the appropriate regulatory clearance, but will remain responsible for the proper performance by such party of those duties. The Sub-Managers will be remunerated by the Investment Manager. The Investment Manager may also seek advice from other third parties (each a “**Sub-Advisor**”) subject to the same conditions.

The Sumitomo Mitsui Trust Asset Management Co., Ltd. or the Management Company may each terminate the Investment Management Agreement subject to three months' prior written notice.

As remuneration for the services rendered by it pursuant to the Investment Management Agreement, the Sumitomo Mitsui Trust Asset Management Co., Ltd., is entitled to receive from the Management Company out of the assets of the Sub-Funds an Investment Management Fee calculated as described for each Sub-Fund in the relevant appendix.

## **DISTRIBUTORS**

The Management Company has appointed as Global Distributor Sumitomo Mitsui Trust International Limited, to market and promote the Fund's Units of each Sub-Fund from the UK. The Global Distributor may with the prior approval of the Management Company conclude contractual arrangements with sales agents, marketing agents, distribution agents and other financial intermediaries (the “**Sub-Distributors**”) to market and promote the Fund’s Units. The appointment of the Global Distributor was made pursuant to a distribution agreement dated as of 25 May 2018 concluded for an unlimited period of time, (the “**Global Distribution Agreement**”). The Global Distribution Agreement may be terminated by either party thereto giving not less than three months’ prior notice. The Global Distributor does not accept subscription monies. Such payments will be made directly to the Fund’s account opened with the Depositary as provided for in the Global Distribution Agreement. Sumitomo Mitsui Trust International Limited is a London based wholly owned subsidiary of Sumitomo Mitsui Trust Asset Management Co., Ltd., representing Sumitomo Mitsui Trust Asset Management Co.’s products and services outside Japan primarily in Europe and the Middle East. The Global Distributor is a British specialist fund manager which has operated in the United Kingdom in its current form since April 2012. The Global Distributor is authorised and regulated in the United Kingdom by the Financial Conduct Authority under Firm Reference Number 124546 in the conduct of its designated investment business. The Global Distributor was incorporated as a limited company under the laws of the U.K. on 2 April 2012 with registered number 02007985.

## **DEPOSITARY**

The Management Company appointed Brown Brothers Harriman (Luxembourg) S.C.A. (“**BBH**”) as the depositary of the Fund’s assets (the “**Depositary**”) pursuant to the terms of a depositary agreement dated 25 May 2018, as amended from time to time (the “**Depositary Agreement**”). BBH is registered with the Luxembourg Company Register (RCS) under number B-29923 and has been incorporated under the laws of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended and supplemented from time to time. BBH is a bank organised as a partnership limited by shares (*société en*

*commandite par actions*) in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 80 Route d'Esch, L-1470 Luxembourg.

BBH has established adequate corporate governance and employs comprehensive and detailed corporate policies and procedures requiring all lines of business to have policies and procedures to comply with applicable laws and regulations.

BBH shall take all reasonable steps to identify and mitigate potential conflicts of interest. These steps include the implementation of its conflicts of interest policies and procedures that are appropriate for the scale, complexity and nature of its business. These policies and procedures address conflicts of interest that may arise through the provision of services to the Fund. These policies identify the circumstances that give rise or may give rise to a conflict of interest and include the procedures to be followed and measures to be adopted in order to manage any conflict of interest. A conflict of interest register is maintained and monitored by the Depositary. Compliance with conflict of interest policies and procedures is supervised and monitored by BBH's board of managers, its executive committee (including the authorised management), as well as internal compliance, internal audit and risk management functions.

As BBH also acts as Registrar and Transfer Agent, Paying Agent and Central Administrative Agent for the Fund, appropriate policies and procedures have been established and are maintained by BBH relating to the management of conflicts of interest that may arise through the provision of its services to the Fund as Depositary, Registrar and Transfer Agent, Paying Agent and Central Administrative Agent.

BBH has implemented appropriate segregation of activities between the depositary and the administrative services, including escalation processes and governance. For this purpose, the depositary function is hierarchically and functionally segregated from the administration and registrar services unit.

According to BBH's conflicts of interest policy, all material conflicts of interest involving internal or external parties shall be promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, BBH shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclose conflicts of interest to the Fund as well as (ii) manage and monitor such conflicts.

BBH ensures that all employees are informed, trained and advised of applicable conflicts of interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent issues.

The Depositary shall assume its functions and responsibilities as a fund depositary in accordance with the provisions of Depositary Agreement, the 2010 Law and applicable Luxembourg laws, rules and regulations regarding (i) the safekeeping of financial instruments of the Fund to be held in custody and the supervision of other assets of the Fund that are not held or capable of being held in custody, (ii) the monitoring of the Fund's cash flow and (iii) the following oversight duties:

- (i) ensuring that the sale, issue, repurchase, redemption and cancellation of the Units are carried out in accordance with the Articles and applicable Luxembourg laws, rules and regulations;
- (ii) ensuring that the value of the Units is calculated in accordance with the Articles and applicable Luxembourg laws, rules and regulations;
- (iii) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (iv) ensuring that the Fund's income is applied in accordance with the Articles and applicable Luxembourg laws, rules and regulations; and
- (v) ensuring that instructions from the Fund did not conflict with the Articles and applicable Luxembourg laws, rules and regulations.

The Depositary should hold in custody all financial instruments that can be physically delivered to it, as well as all financial instruments of the Fund that:

- (a) can be registered or held in an account directly or indirectly in the name of the Depositary;
- (b) are only directly registered with the issuer itself or its agent in the name of the Depositary;

- (c) are held by a third party to whom safekeeping functions are delegated.

The Depositary should ensure that the custody risk is properly assessed, that due-diligence and segregation obligations have been maintained throughout the whole custody chain, to make sure that financial instruments held in custody are subject to due care and protection at all times.

The Depositary shall provide the Management Company, on a regular basis, with a comprehensive inventory of all of the assets of the UCITS. In accordance with its oversight obligations, the Depositary shall set up appropriate procedures to verify on an ex-post basis that the Fund's investments are consistent with the investment objectives and policies of the Fund and Sub-Funds as described in the Prospectus and Management Regulations and to ensure that the relevant investment restrictions are complied with.

The Depositary shall also properly monitor the Fund's cash flows so as to ensure, inter alia, that all payments made by, or on behalf of, investors upon the subscription of the Units of the Fund have been received, and that all the cash has been booked in one or more account(s) opened at an eligible banking institution.

In accordance with the provisions of the Depositary Agreement, the 2010 Law, the EU Directive 2009/65/EC, as amended by EU Directive 2014/91/EU (the "**UCITS Directive**"), the Commission delegated regulation 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC (the "**UCITS V Regulation**") and applicable Luxembourg laws, rules and regulations, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate to one or more correspondents appointed by the Depositary from time to time, part or all of its safe-keeping duties with regard to the financial instruments to be held in custody (i.e. financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary).

For this purpose, the Depositary has established and maintains appropriate procedures designed to select, monitor and supervise third-party provider(s) that meets the Depositary internal standards in each market, in accordance with local laws and regulations.

When selecting and appointing a correspondent, the Depositary shall exercise all due skill, care and diligence as required by applicable Luxembourg laws, rules and regulations to ensure that it entrusts the Fund's assets only to a correspondent who may provide an adequate standard of protection and who has and maintains the required expertise and competence. The Depositary shall also periodically assess whether correspondents fulfil applicable legal and regulatory requirements and shall exercise ongoing supervision over each correspondent to ensure that the obligations of the correspondents continue to be appropriately discharged. The list of Correspondents relevant to the UCITS is available on: <http://www.bbh.com/luxglobalcustodynetworklist>. This list may be updated from time to time and is available from the Depositary upon written request.

Where the laws of a third country requires that certain financial instruments be held in custody by a local entity and no local entities satisfy the delegation requirements laid down in the 2010 Law, the Depositary may delegate its functions to such a local entity only to the extent required by the laws of the third country and only for as long as there are no local entities that satisfy the delegation requirements. The Depositary's liability shall not be affected by any such delegation. The Depositary is liable to the Fund or its Unitholders pursuant the provisions of applicable Luxembourg laws, rules and regulations.

A potential risk of conflicts of interest may occur in situations where the correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the correspondent. Where a correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any correspondent. The Depositary will notify the Fund or the Management Company of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Updated information on the Depositary's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

The 2010 Law and the UCITS V Regulation provide for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the Fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary will be liable to the Fund and the Unitholders for the loss suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its obligations pursuant to the 2010 Law.

The Depositary's appointment is for an undetermined duration. The Depositary or the Management Company may at any time, subject to advance notice of at least ninety calendar days from one party to the other, terminate the Depositary's duties, it being understood that the Management Company is under a duty to appoint a new Depositary who shall assume the functions and responsibilities defined by the 2010 Law. Pending its replacement, the Depositary shall take all necessary steps for the safe keeping of the interest of the Unitholders.

Pursuant to the Depositary Agreement, BBH will receive a fee out of the assets of the Fund as further described in section "Charges and Expenses" of the Prospectus and in the relevant Sub-Fund appendix.

### **ADMINISTRATION AGENT**

Brown Brothers Harriman (Luxembourg) S.C.A. has also been appointed as the Fund's administration agent, domiciliary agent, registrar and transfer agent and paying agent (the "**Administration Agent**"). In such capacity Brown Brothers Harriman (Luxembourg) S.C.A. furnishes certain administrative and clerical services, including fund accounting, cash flow monitoring, registration and transfer agent services and activities as a paying agent for the Units in the Fund. It further assists in the preparation of and filing with the competent authorities of financial reports.

The Administration Agent's appointment is for an undetermined duration and is governed by an agreement dated 25 May 2018 (the "**Administration Agreement**").

The Administration Agent or the Management Company may each terminate the Administration Agreement subject to three months' prior notice.

### **INVESTMENT OBJECTIVE AND INVESTMENT POLICY**

The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund as set out in the relevant clauses/ Appendix of this Prospectus.

The investment return to Unitholders of a particular Sub-Fund is related to the Net Asset Value of that Sub-Fund which in turn is primarily determined by the performance of the portfolio of assets held by that Sub-Fund. Where reference to a specific index or indices is made in the investment policy of a Sub-Fund, the Management Company may, assuming that it results in no change in that investment policy, change the reference index or indices to any other index or indices representing a similar or generally consistent exposure where, for reasons outside the Management Company's control, the original reference index or indices is no longer the benchmark index for that exposure.

Pending investment of the proceeds of a placing or offer of Units or where market or other factors so warrant, a Sub-Fund's assets may, subject to the investment restrictions set out in section "Investment Powers and Limitations" of this Prospectus and Appendix I of the Prospectus, be invested in Money Market Instruments, money market funds and cash deposits denominated in such currency or currencies as the Management Company may determine having consulted with the relevant Investment Manager.

### **GENERAL RISK CONSIDERATIONS**

Prospective investors should be aware of the following risk factors when contemplating whether or not to invest in the Fund. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Fund. Prospective investors should also refer to the appendix relating to any particular Sub-Fund for additional risk factors (if any).

The price of the Units can go down as well as up. An investor may not get back the amount he has invested, particularly if Units are redeemed soon after they are issued, and the Units have been subject to a redemption fee or transaction charge.

## **Equity Securities**

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

## **Exchange Rates**

If a Sub-Fund is invested in securities denominated in currencies other than the currency of denomination in which such Sub-Fund is denominated, changes in foreign currency exchange rates will affect the value of Units held in such Sub-Fund.

Many emerging countries have experienced substantial currency devaluations relative to the currencies of more developed countries. Derivatives may be used to reduce this risk. A Sub-Fund may in its discretion choose not to hedge against currency risk. In addition, certain market conditions may make it impossible or uneconomical to hedge against currency risk.

## **Use of derivatives**

While the prudent use of derivatives may be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. If so provided in its investment policy, a Sub-Fund may engage various investment strategies with a view to reducing certain of its risks and/or enhancing return. These strategies may include the use of derivative instruments such as options, warrants, swaps and/or futures. Such strategies may be unsuccessful and incur losses for the Sub-Fund.

Pursuant to the limitations applicable to the Fund, the overall risk exposure arising from financial derivative instruments used by a Sub-Fund may be equal to the net asset value of that Sub-Fund, and hence that Sub-Fund's overall risk exposure may reach 200% of its net asset value. The overall risk exposure of a Sub-Fund may not be increased by more than 10% by means of temporary borrowing, so that a Sub-Fund's overall risk exposure may not exceed 210% of its net asset value.

Derivatives also involve specific risks. These risks relate to market risks, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices.

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

## **Market Risk**

This is a general risk that applies to all investments, including derivatives, meaning that the value of a particular derivative may go down as well as up in response to changes in market factors. A Sub-Fund may also use derivatives to short exposure to some investments. Should the value of such investments increase rather than fall, the use of derivatives for shorting purposes will have a negative effect on the Sub-Fund's value and in extreme market conditions may, theoretically, give rise to unlimited losses for the Sub-Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Sub-Fund.

## **Market Capitalisation Risk**

The securities of small- to medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small- to medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

## **Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Fund will only enter into over-the-counter (“OTC”) derivatives if it is allowed to liquidate such transactions at any time at fair value).

## **Business Risk**

There can be no assurance that a Sub-Fund will achieve its investment objective. There is no operating history by which to evaluate its likely future performance. The investment results of a Sub-Fund will be reliant upon the success of the Investment Manager.

## **Counterparty Risk**

The Sub-Funds may enter into transactions in OTC markets, including derivatives, which will expose the Sub-Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Funds could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the relevant Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. This could include the counterparties to any derivatives, repurchase / reverse repurchase agreements or securities lending agreements that it enters into.

## **Sustainability Risks**

Pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”), financial market participants are required to disclose the manner in which sustainability risks (as defined below) are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.

According to the SFDR, a sustainability risk is an environmental, social and/or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Various sustainability risks can threaten the investments at individual asset level and portfolio level. These sustainability risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations.

The Investment Manager will incorporate materially relevant sustainability risks into the investment decision making process. At the Investment Manager, sustainability risks are integrated into the investment process of equity investing, research, portfolio construction and ongoing investment monitoring alongside with other material risk factors. Multiple sustainability issues are identified as ESG (Environmental, Social and/or Governance) materiality based on International Standards. The Investment Manager conducts ESG assessment on each individual asset that the Investment Manager covers based on ESG materiality by utilizing its own proprietary assessment framework and the information provided by external sources, and reflect the assessment into investment decisions.

The Management Company and the Investment Manager also recognize that the universe of relevant sustainability risks will grow and evolve over time. The materiality of such risks and financial impacts on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style. Therefore, such assessment of the likely impact must therefore be conducted at each Sub-Fund level, further details and specific information is given on each Sub-Fund as described in the relevant appendix to this Prospectus relating to the Sub-Fund concerned.

Please also see the section entitled “Management of Sustainability Risk” in the relevant appendix to this Prospectus for more information about management of sustainability risk to be conducted for each Sub-Fund.

## **Consideration of adverse sustainability impacts**

In relation to Article 7 of the SFDR, which requires disclosure of how principal adverse impacts (“PAI”) are considered at a product level, the Investment Manager uses all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement activities which are based on the ESG Materiality. The Investment Manager

considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process. In addition, the Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality. Information on principal adverse impacts on sustainability factors can be found in the corresponding section of the Fund's annual report. The information concerning principal adverse impact at the Sub-Fund level will also be available in the Sub-Fund's annual reports.

### **Political and/or Regulatory Risks**

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Sub-Funds may invest in markets where the custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund 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 whereby the Investment Manager will have no liability.

### **Credit and Default Risk**

There can be no assurance that issuers of the securities or other instruments which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. A Sub-Fund will also be exposed to a credit risk in relation to the counterparties with whom they trade or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

Investors normally expect to be compensated in proportion to the risk they are assuming. Thus, debt of issuers with poorer credit prospects usually offers higher yields than debt of issuers with more secure credit. Higher-rated investments generally offer lower credit risk, but not necessarily lower interest rate risk. The values of higher-rated investments still fluctuate in response to changes in interest rates.

### **Cyber Security Risk**

The Fund, the Investment Manager and their service providers (including distributors) ("**Affected Persons**") may be susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Affected Persons have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a Sub-Fund's ability to calculate its NAV; impediments to trading for a Sub-Fund's portfolio; the inability of Unitholders to transact business with the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Sub-Fund invests, counterparties with which a Sub-Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

## **Disaster Recovery Risk**

Whilst the Investment Manager and/or Global Distributor has put in place safeguards including the use of parallel or back-up systems, emergency power and alternative data feeds, designed to protect the interests of the Fund in case of disruption of information technology, including transmission failures, there can be no guarantee that such measures will be effective against all situations or could be implemented in time and the Fund may be adversely affected accordingly.

## **Redemption Risk**

Large redemptions of Units in a Sub-Fund might result in the Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

## **Other Risks**

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals who often are acting as counterparties to the transaction to be valued.

Derivatives do not always perfectly or even highly correlate to or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of following a Sub-Fund's investment objective.

## **Risks associated with OTC Derivatives**

An OTC derivative is a derivative instrument which is not listed and traded on a formal exchange but is traded by counterparties who negotiate directly with one another over computer networks and by telephone ("**OTC Derivative**"). Transactions in OTC Derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, the Fund is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Fund.

## **Risks associated with the Control and Monitoring of Derivatives**

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly. There is no guarantee that a particular forecast will be correct or that an investment strategy which deploys derivatives will be successful.

## **Warrants**

Certain Sub-Funds may invest in equity linked securities or equity linked instruments such as warrants. The gearing effect of investment in warrants and the volatility of warrant prices make the risk attached to the investment in warrants higher than in the case with investment in equities.

## **Transactions in Options, Futures and Swaps**

Each of the Sub-Funds may seek to protect or enhance the returns from the underlying assets by using options, futures and swap contracts and by entering into forward foreign exchange transactions in currency. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets and in swap contracts and in currency exchange transactions involves investment risks and transaction costs to which



the Sub-Funds would not be subject if the Sub-Fund did not use these strategies. If the Management Company's or Investment Manager's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-Fund may leave the Sub-Fund in a worse position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Management Company's or Investment Manager's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of a Sub-Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-Fund to sell a portfolio security at a disadvantageous time.

Where a Sub-Fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-Fund.

### **Hedged Classes**

Non-hedged Units may be available in different currencies than the currency of the Sub-Fund, and therefore will be converted into the currency of the Sub-Fund at the point of investment. This investment will then be converted back into the Class currency at the point at which the investor withdraws from the Sub-Fund. The investor will therefore receive the return of the underlying investments in the Sub-Fund, as well as the currency movement between the currency of denomination of the Sub-Fund and the currency of the Units.

Hedged Units on the other hand will aim to hedge all or part of the currency risk. This will be achieved by using currency derivatives (Please see the Risk Considerations on the Use of Derivatives). A Sub-Fund will apply a hedging strategy where the currency of a Class is different than the Sub-Fund's currency, so as to reduce the foreign exchange exposure for investors in such a Class. The Sub-Fund will attempt to avoid the currency fluctuations that may arise between the base currency of the Sub-Fund and the currency of the Hedged Classes by engaging in a process of calculating, executing and maintaining forward hedges against the base currency of the Sub-Fund, as instructed by the Sub-Fund and/or the Investment Manager.

While a Sub-Fund or the Investment Manager may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of that Sub-Fund and the Hedged Classes. The hedging strategies may be entered into whether the currency of the Sub-Fund is declining or increasing in value relative to the relevant currency of the Hedged Classes and so, where such hedging is undertaken it may substantially protect Unitholders in the relevant Class against a decrease in the value of the currency of the Sub-Fund, but it may also preclude Unitholders from benefiting from an increase in the value of the base currency. Hedging transactions may have an impact on the performance of the hedged Classes of Units that may diverge from the performance of the non-hedged Classes of Units. Given that there is no segregation of liabilities between Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Class could result in liabilities which might affect the Net Asset Value of the other Classes of the same Sub-Fund.

### **Currency Fluctuations**

All globally invested Sub-Fund will be exposed to currencies other than the currency of the Sub-Fund, which may increase the volatility of the Net Asset Value of the Sub-Fund. In addition, those Sub-Funds 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 Sub-Fund. The value of the assets of the Sub-Fund, as measured in one currency, may consequently be affected unfavourably by such devaluations. In addition, the Sub-Fund may engage in certain currency transactions, where available, in an attempt to hedge the Sub-Fund'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 Sub-Fund will attempt to manage this risk through diversification of investments within the Portfolio.

## 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.

The risk of expropriation, confiscatory taxation, nationalisation and social, political and economic instability are greater in emerging markets than in developed markets. 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 Sub-Funds because foreign investors 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.

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 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 Sub-Fund's acquisition or disposal of securities.

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 and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security.

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. 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 some investors may be accustomed. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries.

If a Sub-Fund invests in emerging market country debt, such 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 relevant Sub-Fund may have limited legal recourse against the issuer and/or guarantor.

***The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Sub-Fund. Potential investors should be aware that an investment in a Sub-Fund may be exposed to other risks of an exceptional nature from time to time.***

## APPLICATIONS & DEALING TIMES

Instructions for the purchase, redemption or conversion of Units on any Business Day, as defined for each Sub-Fund in the relevant appendix to this Prospectus ("**Business Day**"), may be given directly to the Administration Agent or via any authorized distributor.

Dealing instructions to be effected on any Business Day (the "**Valuation Day**") must be received by the Administration Agent prior to such day and time as specified in the Sub-Fund appendix for a particular Sub-Fund ("**Application Deadline**"). Applications received after the Application Deadline will be deemed received on the Business Day following their receipt.

Unless otherwise stated in the relevant Appendix, applications received and accepted prior to the Application Deadline will normally be processed on the relevant Valuation Day at a dealing price (“**Dealing Price**”) determined on that Valuation Day. Any instructions received after the Application Deadline will be processed on the next available Valuation Day and the Dealing Price for these late instructions will be based on the valuation determined on that Valuation Day.

The Management Company reserves the right to accept or reject any application in whole or in part and for any reason.

## **SUBSCRIPTION FOR UNITS**

### **Procedure**

Applicants wishing to subscribe for Units should complete an application form (“**Application Form**”) and send it directly to the Administration Agent, or via any authorized distributor together with all required identification documents. Should such documents not be provided, the Administration Agent will request such information and documentation as it is necessary to verify the identity of an applicant. Units will not be issued until such time as the Administration Agent has received and is satisfied with all the information and documentation requested to verify the identity of the applicant. Failure to provide such information or documentation may result in a delay of the subscription process or a cancellation of the subscription request. For subsequent applications made by fax for the same account it will not be necessary to forward the original copy of the Application form.

The initial subscription period is specified for each Sub-Fund in the relevant appendix to this Prospectus applying to such Sub-Fund.

Initial and subsequent subscriptions are subject to the minima and conditions described in the appendix to this Prospectus relating to the Sub-Fund concerned. These minima may be waived or varied, for any particular case, by the Global Distributor or generally, as the Management Company may decide. In addition, the Management Company reserves the right to, at any time, compulsorily redeem holdings of Units that remain, or fall, below the applicable minima, for reasons other than market fluctuations, at the relevant redemption price and make payment of the proceeds thereof to the Unitholder.

Applications shall be received and effected as indicated under “Applications & Dealing Times”.

The issue of all Units will be confirmed by a contract note which will indicate the Unitholder’s Personal Account Number.

The Application Form enables applicants to specify a bank account to which redemption proceeds should always be paid. Any subsequent change to a specified bank account must be confirmed in writing accompanied by the signature(s) of the Unitholder(s).

A subscription fee may be payable to the distributors in relation to the subscription of Units as may be specified in the relevant appendix to this Prospectus relating to the Sub-Fund concerned.

### **Payment**

Payments for Units should be made by electronic bank transfer net of all local bank charges. Payment should be made in the currency of denomination of the relevant Sub-Fund or Class or in any of the subscription currencies of the relevant Sub-Fund or Class as described in the respective appendix and to the relevant bank account as identified on the Application Form.

The subscription price must be paid by the investor and received by the Depository within the time as described in the relevant appendix of each sub-fund from the relevant Valuation Day, subject to the Management Company’s discretion to determine otherwise.

If timely settlement is not made, the Management Company retains the right to extend the settlement period or cancel such application. In any such circumstances, the Management Company is entitled to recover from the applicant any loss incurred by the relevant Sub-Fund.

Subject to the prior approval of the Management Company, payment may be made by contributing to the Fund securities acceptable to the Management Company and consistent with the investment policy and restrictions of the Fund and the relevant Sub-Fund. Such securities will be independently valued in accordance with Luxembourg law by a special report of the Fund's auditor. Subscription for Units against contribution in kind will be made at the investor's cost.

All other methods of payment are subject to the prior approval of the Management Company.

## General

Units are offered for sale on any Business Day, except in the case of suspension of the net asset value determination and of the issue of Units (see “Further Information: Suspension of the Calculation of the Net Asset Value and Issue and Redemption of Units”). Applications for Units shall be irrevocable after they have been made to the Administration Agent, unless cancelled pursuant to written notification received within a reasonable time prior to the Application Deadline, and may be withdrawn only if there is a suspension of the calculation of the net asset value or if the Management Company and/or the Administration Agent has unduly delayed or has rejected their acceptance.

Pursuant to international rules and Luxembourg laws, regulations, circulars and guidelines (comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, the relevant CSSF Circulars concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements (“**Luxembourg laws and regulations**”), obligations have been imposed on all professionals of the financial sector to prevent the use of the financial system for the purpose of money laundering and financing of terrorism. As result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with the Luxembourg laws and regulations. The Registrar and Transfer Agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate, may request any other information that the Management Company may require in order to comply with its legal and regulatory obligations, including but not limited to the Luxembourg law of 18 December 2015 (the “**CRS Law**”).

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

From time to time, unitholders may be asked to supply additional or updated identification documents in accordance with the clients' ongoing due diligence obligations according to the relevant laws and regulations, such as, but not limited to, the CRS Law.

The Management Company reserves the right to reject at its discretion any application in whole or in part. An application may be rejected in circumstances including, but not limited to, any in which the Management Company considers that it has not received sufficient information on the applicant or if it cannot determine, without any doubt, that the application moneys are not the proceeds of offences covered by regulations combating money laundering. If any subscription is not accepted in whole or in part, the Management Company, at the applicant's risk, will return the application monies or the balance thereof, without interest thereon, by bankers' draft or by electronic transfer at the applicant's expense.

Prospective applicants should make themselves aware of any relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

The fees charged upon request for subscription are specified in the relevant appendix to the relevant Sub-Fund.

## REDEMPTION OF UNITS

### Procedure – Payment

A Unitholder may at any time request the redemption of all or part of its holdings in any Class or any Sub-Fund. The Units are not transferable in any other manner, including transfers or sales to third parties or to the Investment Manager (except as in accordance with “Conversion of Units”).

Redemption requests shall indicate either the number of Units to be redeemed or the aggregate value of the Units to be redeemed. In the latter case, the aggregate value of Units to be redeemed, such value to be expressed in the currency applicable to the relevant Sub-Fund. The number of redeemed Units shall only be determined by the Administration Agent based on the Dealing Price per Unit of the relevant Class or Sub-Fund on the relevant Valuation Day. If the value of all the Units held by the redeeming Unitholder in the relevant Class or Sub-Fund is lower on such Valuation Day than the aggregate value indicated in the redemption request, the relevant Unitholder shall be deemed to have requested redemption of all of its Units in such Class or Sub-Fund.

Notwithstanding the above, in the event that a Unitholder wishes to redeem all (but not some only) of its Units in any Class or Sub-Fund, such Unitholder shall specify it in the redemption request and shall not indicate the aggregate value of Units to be redeemed.

Signed redemption requests may be given directly to the Administration Agent or via any authorized distributor by fax, or by post, quoting the Unitholder's Personal Account Number.

Requests for redemption shall be received and effected as indicated under "Applications & Dealing Times".

All redemptions will be acknowledged by a contract note confirming the details of the redemption.

Subject to the Management Company's discretion to determine otherwise, redemption proceeds will normally be paid within time as described in the relevant appendix of each sub-fund from the relevant Valuation Day. Please note in this context that payment may be delayed notably in case of public holiday periods such as the Chinese New Year. Payment of the redemption proceeds will be made by electronic bank transfer to an account specified by the Unitholder at the time of subscription, as updated, in the currency of denomination of the relevant Sub-Fund or Class.

If redemption instructions would result in a residual holding in any one Sub-Fund of less than the minimum holding amount as described in the appendix of the relevant Sub-Fund, the Management Company reserves the right to compulsorily redeem the residual Units at the relevant redemption price and make payment of the proceeds thereof to the Unitholder.

A redemption fee may be payable in relation to the redemption of Units as may be specified in the relevant appendix to this Prospectus relating to the Sub-Fund concerned.

### **General**

Requests for redemptions may not be withdrawn, unless cancelled pursuant to written notification received within a reasonable time prior to the Application Deadline, except in the event of a suspension or deferral of the right to redeem Units of the relevant Sub-Fund(s), for the reasons set out under "Further Information: Suspension of the Calculation of the Net Asset Value and Issue and Redemption of Units".

The Management Company shall, if the Unitholder requesting redemption so accepts, have the right to satisfy payment of the redemption price in kind by allocating to such Unitholder assets from the Sub-Fund equal in value to the value of the Units to be redeemed. The nature and type of such assets shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Unitholders and the valuation used shall be confirmed by a report of the Fund's auditor, the costs of which shall be borne by the Unitholder.

## **CONVERSION OF UNITS**

### **Procedure**

A Unitholder may at any time request the conversion of all or part of its holdings in one Sub-Fund into Units relating to another Sub-Fund.

The basis of conversion will, in such case, be the respective Net Asset Values per Unit of the Sub-Funds concerned determined as of the relevant Valuation Day.

Conversion requests shall indicate either the number of Units to be converted or the aggregate value of the Units to be converted. In the latter case such value to be expressed in the currency applicable to the relevant Sub-Fund. The number of converted Units shall only be determined by the Administration Agent based on the Dealing Price per Unit of the relevant Classes or Sub-Funds on the relevant Valuation Day. If the value of all Units held by the converting Unitholder in the relevant Class or Sub-Fund is lower on such Valuation Day than the aggregate value indicated in the conversion request, the relevant Unitholder shall be deemed to have requested conversion of all of its Units in such Class or Sub-Fund.

Notwithstanding the above, in the event that a Unitholder wishes to convert all (but not some only) of its Units in any Class or Sub-Fund, such Unitholder shall specify it in the conversion request and shall not indicate the aggregate value to be converted.

Signed conversion request may be given directly to the Administration Agent or via any authorized distributor by fax, or by post, quoting the Unitholder's Personal Account Number.

Requests for conversion shall be received and effected as indicated under "Applications & Dealing Times".

## General

Requests for conversions, once made, may not be withdrawn, except in the event of a suspension or deferral of the right to redeem Units of the Sub-Fund from which the conversion is to be made or deferral of the right to purchase Units of the Sub-Fund into which the Units are converted.

The proceeds of Units which are converted will be reinvested in Units relating to the Sub-Fund into which the conversion is being made.

All conversions will be acknowledged by a contract note, confirming details of the conversion.

When converting Units from one Sub-Fund to another Sub-Fund, the Unitholders must meet the applicable conditions, minimum investment and minimum holding requirements. If the holding in the former Sub-Fund falls as a result of the conversion, below the minimum holding requirement, the Management Company may convert all the remaining Units held by a Unitholder in the relevant Sub-Fund.

A conversion fee may be payable in relation to the conversion of Units as may be specified in the relevant appendix to this Prospectus relating to the Sub-Fund concerned.

All conversions between Unit Classes in the same Sub-Fund may be treated the same as a conversion between the Sub-Funds.

## Conversion formula

The Management Company or the Administration Agent on its behalf determines the number of Units of the Sub-Fund into which the investor wishes to convert his existing Units in accordance with the following formula:

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

Where:

A is the number of Units relating to the new Class or Sub-Fund to which the investor shall become entitled;

B is the converted number of Units relating to the former Class or Sub-Fund as determined by the Management Company based on the aggregate value of Units to be converted indicated in the conversion request;

C is the Net Asset Value of a Unit relating to the former Sub-Fund;

D is the Net Asset Value of a Unit relating to the new Sub-Fund;

E is the currency exchange rate representing the effective rate of exchange applicable to the transfer of assets between the relevant Sub-Funds, after adjusting such rate as may be necessary to reflect the effective costs of making such transfer, provided that when the original Sub-Fund and new Sub-Fund are designated in the same currency, the rate is one.

## MERGER OF THE FUND AND OF SUB-FUNDS

The Management Company may by resolution of the Board of Directors in accordance with the following conditions decide to contribute the Fund or a Sub-Fund to another undertaking for collective investment ("UCI") which is managed by the same or another management company. A merger may be decided in the following situations:

- if the net assets of the Fund respectively of a Sub-Fund on a given Business Day fall below a level below which it seems no longer possible to manage the Fund respectively the Sub-Fund in an economically reasonable manner. The Management Company has set this amount to one billion JPY (¥1,000,000,000.-) for each Sub-Fund, or in the case of a Sub-Fund or Class denominated in a currency other than JPY, the equivalent in that currency of such amount,
- if, due to substantial changes in the economic or political situation affecting the Fund or the Sub-Fund or for other reasons of economic profitability, it seems that the Fund respectively the Sub-Fund may no longer be managed in an economically reasonable way.

Such a merger is only possible if the investment policy of the contributing Fund or Sub-Fund is not contrary to the investment policy of the absorbing UCI. The merger results in the liquidation of the contributing Fund or Sub-Fund and a concurrent take-over of all assets by the absorbing UCI.

The resolution of the Board of Directors of the Management Company to merge the Fund or a Sub-Fund shall be published in each jurisdiction in which the Units of the contributing Fund or Sub-Fund are distributed in the newspaper to be determined by the Management Company.

The Unitholders of the contributing Fund or Sub-Fund may during a period of 30 days redeem all or part of their Units without cost at the applicable Net Asset Value per Unit in accordance with the procedure described in the Management Regulations. The Units of Unitholders who have not redeemed their Units shall on the effective date of the merger receive Units of the absorbing UCI on the basis of their Unit holding. The case being a cash payment corresponding to any fractions of Units can be made to Unitholders.

The before-mentioned rules also apply to the merger of two Sub-Funds within the same Fund.

### **EXCESSIVE TRADING POLICY**

Purchases of Units should be made for investment purposes only, not as an effort to generate trading profits. The Management Company, the Administration Agent and the Global Distributor do not permit market-timing or other excessive trading practices (“**Excessive Trading Practices**”) and have developed a policy intended to protect the Fund from such activity. Excessive trading practices may disrupt the investment management of the portfolio, raise the Fund’s expenses and harm Fund performance.

The Management Company, the Administration Agent and the Global Distributor generally apply a standard for review for Excessive Trading focused primarily on persons trading directly with the Fund, or indirectly through intermediaries, who make more than one purchase and one sale or one sale and one purchase involving the Fund within any 90-day calendar period. In this respect, the Management Company, the Administration Agent and the Global Distributor will take into account trading effected on behalf of multiple accounts under common ownership or control.

The policy is not intended to cover “rebalancing” transactions driven by asset allocation decisions. Further, the Management Company, the Administration Agent and the Global Distributor understand that distributors will often have daily purchase and/or sale transactions which may represent the aggregated transactions of their clients. Such transactions would not violate the Fund’s policy. However, in such circumstances, the Management Company, the Administration Agent and the Global Distributor cannot always monitor trading activity of a distributor’s individual clients and would expect, to the extent possible, the distributor to notify it where the distributor becomes aware of excessive trading activity.

In all cases, the Management Company, the Administration Agent and the Global Distributor will be responsible for determining whether the excessive trading policy has been breached. A first instance will result in a warning letter from the Management Company, the Administration Agent or the Global Distributor and further instances may result in restrictions on transactions by the underlying Unitholder in accordance with the policy set out below.

The Management Company, the Administration Agent and the Global Distributor may:

- (a) reject at its discretion any application for Units when the Management Company, the Administration Agent or the Global Distributor deems it necessary for the protection of the Fund or when, in the opinion of the Management Company, the Administration Agent or the Global Distributor the investor is engaging in Excessive Trading Practices, has a history of excessive trading or whose trading may be disruptive to the Unitholders, or the Fund. In this respect, the Management Company, the Administration Agent and the Global Distributor will take into account trading effected on behalf of multiple accounts under common ownership or control; and
- (b) repurchase at any time the Units held by Unitholders who are excluded from purchasing or holding Units or, when, in the Management Company’s, the Administration Agent’s or the Global Distributor’s view a Unitholder is, or has been, engaged in Excessive Trading Practices.

The Management Company, the Administration Agent and the Global Distributor will not be held liable for any gain or loss resulting from rejected instructions or compulsory repurchases.

## **PRICES OF UNITS**

### **Dealing Prices**

There is a single Dealing Price per Unit for the purchase and redemption of each Class of Units of each Sub-Fund.

The Dealing Price per Unit for each Class of Units within each Sub-Fund is calculated on each Business Day in accordance with the Management Regulations by reference to the net asset value of the underlying assets (the "**Net Asset Value**") of the relevant Sub-Fund on that Business Day.

Prices are quoted in the currency of denomination of the relevant Sub-Fund or Class.

In certain circumstances, the Net Asset Value calculations may be suspended and, during such periods of suspension, Units of the Sub-Fund(s) to which the suspension relates may not be issued or redeemed.

Full details of the Net Asset Value calculation and the circumstances for the suspension thereof are set out in the section headed "Further Information: Valuations".

### **Pricing Information**

The Dealing Prices for each Business Day will be available from the Administration Agent and at the registered office of the Administration Agent. In addition, if the Management Company decides so, Dealing Prices may be published by any other means, such as via Bloomberg or Fundsquare for instance.

### **Dividends**

#### Distributing Units

The Management Company may distribute, any net investment income, and net realised capital gains, attributable to Distributing Units, subject to a resolution of the Board of Directors which will decide whether and to what extent dividends should be distributed. Eventual distributions are made to holders of Distributing Units registered at the close of business, in principle, on the record date. The record date and the ex-dividend date will be consecutive Business Days.

Dividends will be paid by electronic bank transfer to an account specified by the Unitholder at the time of subscription, as updated.

Distributions not claimed within five years from their due date will lapse and will revert to the relevant Class of the relevant Sub-Fund.

#### Accumulating Units

For this Category of Units, the Management Company does not intend to declare dividends. The portion of the Sub-Fund's net investment income, which is attributable to such Units, will be retained. The price of the Units of such Category will thereby reflect the capitalization of the net investment income attributable to them.

#### Reinvesting Units

Dividends for Reinvesting Units are calculated in the same way as for the Distributing Units. Any Reinvesting Unit entitles its Unitholder to receive a cash dividend on such dates and at such amounts as for "Distributing Units". However, except if otherwise instructed by written notification to be received by the Administration Agent at least two month prior to a specified dividend payment date, each Unitholder, in investing in such Reinvesting Units, agrees and instructs the Management Company that any cash dividends paid from the assets of the Sub-Fund shall be reinvested as soon as reasonably practicable to subscribe for additional Units of such Sub-Fund.

### **Automatic reinvestment of dividends**

All dividends declared will be automatically reinvested without sales charge in Units of the same Class of the same Sub-Fund at the Net Asset Value per Unit determined on the day of reinvestment unless the Unitholder has specifically elected to receive dividends.



## **CHARGES AND EXPENSES**

### **Management Fee**

The Management Company is entitled to a management fee out of the assets of the various Sub-Funds (the “**Management Fee**”). This fee is payable monthly in arrears and calculated on a daily basis at the annual rates described in the relevant Sub-Fund appendix of this prospectus.

### **Investment Management and Distribution Fees (the “Collective Fees”)**

As remuneration for the services rendered by it pursuant to the Investment Management Agreement, Sumitomo Mitsui Trust Asset Management Co., Ltd. as Investment Manager is entitled to receive from the Management Company out of the assets of the Sub-Funds an Investment Management Fee calculated on a daily basis and payable quarterly in arrears at the annual rate described for each Sub-Fund in the relevant appendix (the “**Investment Management Fee**”).

As remuneration for the services rendered by them, the Distributors are entitled to receive fees from the Management Company out of the assets of the Sub-Funds or the relevant Class of Shares (the “**Distribution Fees**”). The sum of such Distribution Fees and the Investment Management Fee shall not exceed the level of Collective Fees set out in the appendix pertaining to the relevant Sub-Fund.

Any Sub-Distributor appointed by the Global Distributor is entitled to receive a fee paid by the Global Distributor to the Sub-Distributors.

### **Depositary Fee**

Pursuant to the Depositary Agreement for its services as Depositary, Brown Brothers Harriman (Luxembourg) S.C.A. receives, from the Fund, an annual fee, based upon a reducing scale calculated as described for each Sub-Fund in the relevant appendix. This fee is calculated and accrued on each Business Day and is payable quarterly in arrears and as agreed from time to time in writing. The Depositary shall also be entitled to receive out of the assets of the Fund any reasonable disbursements and out-of-pocket expenses (including telephone, telex, cable and postage expenses) incurred by the Depositary, and any custody charges of banks and financial institutions to whom custody of assets of the Fund is entrusted, will be borne by the Fund.

### **Administration Agent Fee**

For its services as Administration Agent, Brown Brothers Harriman (Luxembourg) S.C.A. receives, from the Fund, an annual fee based upon a reducing scale calculated as described for each Sub-Fund in the relevant appendix. Each Sub-Fund is, however, subject to a minimum administration fee as described for each Sub-Fund in the relevant appendix. This fee is calculated and accrued on each Business Day and is payable quarterly in arrears and as agreed from time to time in writing. The Administration Agent may also receive further fees in relation to certain reporting services as described for each Sub-Fund in the relevant appendix.

### **Operating and Administrative Expenses**

In addition to the Depositary and Administrative Agent fees, the Fund pays expenses incurred in its operation including, but not limited to:

- all taxes which may be due on the assets and the income of the Fund;
- usual banking fees due on transactions involving securities held in the portfolios of the Fund;
- legal expenses incurred by the Management Company or the Depositary while acting in the interests of the Unitholders;
- the cost of preparing and/or filing and printing of the Management Regulations and all other documents concerning the Fund, including registration statements and prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units of the Fund; the cost of preparing, in such languages as are necessary for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and semi-annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the daily net asset value; the cost of preparing and

distributing public notices to the Unitholders; lawyers' and auditor's fees; and all similar administrative charges, and all advertising expenses and other expenses directly incurred in offering or distributing the Units; and

- a paying agent fee based on the services provided by a paying agent where necessary.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding 5 years.

### **Allocation of Costs and Expenses**

Each Sub-Fund is charged with costs and expenses specifically attributable to it. If a cost or expense is attributable solely to any particular Class of Units of a Sub-Fund, then that cost or expense will be borne by that Class. Costs and expenses not attributable to any particular Sub-Fund are allocated amongst the Sub-Funds and Classes on an equitable basis as determined by the Management Company, normally pro rata to the respective Net Asset Value of each Sub-Fund and Class.

### **Formation Costs and Expenses**

The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units, including those incurred in the preparation and publication of the prospectus, all legal and printing costs, certain launch expenses and preliminary expenses shall be written off over a period not exceeding five years from the formation of the Fund and in such amounts in each year and in each Sub-Fund as determined by the Management Company on an equitable basis.

Charges relating to the creation of a new Sub-Fund shall be written off over a period not exceeding five years against the assets of that Sub-Fund and in such amounts in each year as determined by the Management Company on an equitable basis. The newly created Sub-Fund may bear a pro rata share of the costs and expenses incurred in connection with the formation of the Fund which have not already been written off at the time of the creation of the new Sub-Fund.

### **MANAGEMENT REGULATIONS AND INVESTMENT RESTRICTIONS**

By acquiring Units in any Sub-Fund, every Unitholder approves and fully accepts that the Management Regulations of the Fund shall govern the relationship between the Unitholders, the Management Company and the Depositary.

The Management Company may, upon approval of the Depositary, amend the Management Regulations at any time, in whole or in part.

Amendments will, unless otherwise specified, become effective upon their execution by the Depositary and the Management Company.

While managing the assets of the Fund, the Management Company, or its appointed agents, shall comply with the investment powers and limitations specified in "Further Information" Section A below.

### **FINANCIAL YEAR AND AUDIT**

The financial year of the various Sub-Funds of the Fund shall terminate as at 31 March in each year, with the first year end occurring on 31 March 2019.

The audit of accounting information in respect of the Fund is entrusted to an auditor appointed by the Management Company.

These duties are currently entrusted to Deloitte Audit Sàrl, 20, Boulevard de Kockelscheuer, L-1821 Luxembourg.

### **REPORTS**

The annual report, containing the audited financial accounts of the Fund expressed in JPY and of each of the Sub-Funds, in respect of the preceding financial period will be made available at the Management Company's and Depositary's registered offices within four months of the end of the relevant year.

The first annual report of the Fund covered the financial year ending on 31 March 2019.

Unaudited semi-annual reports will also be made available at the Management Company's and Depositary's registered office within two months of the end of the period to which they relate.

The first unaudited semi-annual report covered the period from the establishment of the Fund to 30 September 2018.

## **DURATION AND LIQUIDATION OF THE FUND**

The Fund exists for an unlimited duration.

In the event of a dissolution of the Fund, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the Management Company effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the holders of Units of each Sub-Fund in proportion of their holding of Units in such Sub-Fund.

## **TAXATION**

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein. Prospective investors should be aware that levels and bases of taxation are subject to change and that the value of any relief from taxation depends upon the individual circumstances of the taxpayer.

### **Taxation of the Fund in Luxembourg**

The Fund is not liable to any Luxembourg tax on profits or income, nor are any dividends paid by the Fund liable to any Luxembourg withholding tax.

Unless stated otherwise in the relevant appendix relating to a Sub-Fund of the Fund, the Fund's assets are subject to a tax ("*taxe d'abonnement*") in the Grand Duchy of Luxembourg of 0.05% p.a., payable quarterly. In the case of Institutional Class' and Pension Funds Class' Units, this tax is, by way of exception, only 0.01% p.a.

In certain cases, such tax can be 0%, as provided by article 175 of the 2010 Law.

The Net Asset Value of each Sub-fund at the end of each quarter is taken as the basis for calculation.

No stamp duty or other tax is payable in Luxembourg on the issue of Units.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Fund.

Income received by the Fund on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

### **Taxation of Unitholders in Luxembourg**

Investors in the Fund are not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg solely by reason of such investment (except for investors domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg or any Unitholders investing in Luxembourg real estate or realising a capital gain from the disposal of a substantial holding in a Luxembourg resident company within 6 months of acquisition; a substantial holding being an Unitholder's participation of more than ten per cent in a Luxembourg resident company during a 5 years period prior to the sale).

As of January 2016, the Standard for Automatic Exchange of Financial Account Information in Tax Matters ("**Common Reporting Standards**"), developed by the Organisation for Economic Co-Operation and Development (OECD) was implemented in Luxembourg, and became applicable to the Fund's operations. Individual account holders in the Fund are obliged to report details including their name, address and place of birth to the Brown Brothers Harriman (Luxembourg) S.C.A. upon account opening. Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed by the Management Company to carry out the above under the terms of an Agreement dated 10th May 2016. Please contact the Brown Brothers Harriman (Luxembourg) S.C.A. for the exact requirements upon the opening of an account under the Common Reporting Standards Regime. It is the intention of the Fund that it is treated as compliant with United States of America's Foreign Account Tax Compliance Act (FATCA) under the terms of the Model I IGA and the terms of the Luxembourg legislation transposing such Model I IGA. However, no assurance can be given that the Fund will be able to comply with such requirements and, in the event that it is not able to do so, the Fund could be exposed to fines which may reduce the amounts available to it to make payments to its investors. Investors may be required to provide information to the Fund to comply with its reporting obligations under the IGA. In furtherance of the Fund's compliance with the IGA and the Luxembourg FATCA Law in accordance with the foregoing, the Fund will report tax information to the Luxembourg tax authorities, which will then transmit the information to the U.S. Internal Revenue Service. The Fund will also perform necessary due diligence and monitoring of investors and report, on an annual basis,

among other things, information relating to financial accounts held by U.S. Persons or by non-U.S. entities owned by U.S. Persons. For the performance of the above duties to comply with FATCA, the Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A. under the same agreement as above for Common Reporting Standards, dated 10th May 2016. For details of the required information upon opening an account as a U.S. citizen, please contact Brown Brothers Harriman (Luxembourg) S.C.A.

**Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding or redeeming Units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences (including the availability of, and the value of, tax relief to investors) will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.**

## **APPLICABLE LAW, COMPETENT JURISDICTION**

Disputes arising among or between the Unitholders, the Management Company and the Depositary will be settled according to Luxembourg law and subject to the jurisdiction of the competent court in Luxembourg, provided, however, that the Management Company and the Depositary may submit themselves and the Fund to the jurisdiction of the competent courts of such other countries where Units are offered and sold and, with respect to matters relating to subscription and redemption, or other claims related to their holding by residents in such countries, to the laws of such countries.

## **STATUTE OF LIMITATION**

Claims of Unitholders against the Management Company or the Depositary will lapse five years after the date of the event giving rise to such claims (except that claims by Unitholders on the proceeds of liquidation to which they are entitled, shall lapse in accordance with the provisions of Luxembourg Law).

## **FURTHER INFORMATION**

### **A INVESTMENT POWERS AND LIMITATIONS**

**1** The Fund's Management Regulations permit it to invest in transferable securities and other liquid financial assets, to the full extent permitted by Luxembourg law, except as otherwise provided for each Sub-Fund in the relevant appendix. The Management Regulations have the effect that, subject to the law, it is at the Management Company's discretion to determine any restrictions on investment or on borrowing or on the pledging of the Fund's assets.

### **2 Permitted Investments**

The following restrictions of Luxembourg law currently apply to the Fund:

**2.1** The investments of each Sub-Fund shall consist solely of:

- (a) Transferable securities and money market instruments admitted or dealt in a regulated market in member states of the EU (the "**Member States**"),
- (b) Transferable securities and money market instruments dealt in on other markets in Member States, that are regulated operating regularly, are recognised and are open to the public,
- (c) Transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American continents and Africa,
- (d) Transferable securities and money market instruments dealt in on other markets that are regulated operating regularly, are recognised and open to the public of any other country in Europe, Asia, Oceania, the American continents and Africa,
- (e) Recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in a) and c) or regulated markets that are operating regularly, are recognised and open to the public as specified in b) and d) and that such admission is secured within a year of issue,

- (f) Units of Undertaking for Collective Investment in Transferable Securities (“UCITS”) and authorised according to the EU Directive 2009/65/EEC, as amended, and/or other undertakings for collective investment (“UCIs”) within the meaning of article 1(2), first and second indents of such directive, whether they are situated in a Member State or not, provided that:
- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for Unitholders in the other UCIs is equivalent to that provided for Unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of EU Directive 2009/65/EEC, as amended;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10 % of the UCITS' or the other UCIs' assets (or of the assets of any Sub-Fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs,
- (g) 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 a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law,
- (h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in sub-paragraph (a), (b), (c) and (d); and/or OTC Derivatives, provided that:
- the underlying consists of instruments described in this sub-paragraph 2.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund 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 CSSF; and
  - the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative,
- (i) money market instruments other than those dealt in on a regulated market, which fall under article 1 of the 2010 Law, if the issue or 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 central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong or;
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs (a), (b), (c) or (d) above, or;
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law or;
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with EU Directive 78/660/EEC, is an entity which, within a group of

companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**2.2** Furthermore, each Sub-Fund may:

- invest no more than 10% of its net assets in securities and money market instruments other than those referred to in sub-paragraph 2.1 above.

**2.3** Each Sub-Fund may acquire the units of UCITS and/or other UCIs referred to in paragraph 2.1 (f), provided that the aggregate investment in UCITS or other UCIs does not exceed 10% of the net assets of each Sub-Fund. However, this restriction does not apply to Sub-Funds which are funds of funds and whose denominations include the term 'fund of funds'. In the case of funds of funds, a Sub-Fund may acquire units of UCITS and/or UCIs provided that no more than 20% of its assets are invested in the units of a single UCITS or other UCI. Investments made by funds of funds in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the Sub-Fund.

- acquire movable and immovable property which is essential for the direct pursuit of its business;
- acquire no precious metals nor certificates representing them.

When each Sub-Fund has acquired the units or shares 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 paragraph 2.5.

When the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company and/or Investment Manager or by any other company with which the Management Company and/or Investment Manager is linked by common management or control, or by a substantial direct or indirect holding ("a substantial direct or indirect holding" is defined as more than 10% of the capital or voting rights), no subscription or redemption and management fees may be charged on the target fund level to the Sub-Fund on its investment in the units of such other UCITS and/or UCIs.

**2.4** A Sub-Fund may hold bank deposits at sight up to 20%.

### **3 Investment Limitations**

**3.1** A Sub-Fund may not invest in any one issuer in excess of the limits set out below:

- (a) Not more than 10% of a Sub-Fund's net assets may be invested in transferable securities or money market instruments issued by the same entity;
- (b) Not more than 20% of a Sub-Fund's net assets may be invested in deposits made with the same entity;
- (c) By way of exception, the 10% limit stated in (a) may be increased to:
  - a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong;
  - a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond holders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. When a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this paragraph and issued by one issuer, the total value of these investments may not exceed 80% of the value of the net assets of such Sub-Fund.
- (d) The total value of the transferable securities or money market instruments held by a Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC

Derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments referred to in the two indents set out in 3.1 (c) above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 3.1 (a) to (d) above, a Sub-Fund may not combine:

- investments in transferable securities or money market instruments issued by a single entity, and/or
- deposits made with a single entity, and/or
- exposures arising from OTC Derivative transactions and efficient portfolio management techniques (“**EPM Techniques**”) undertaken with a single entity, in excess of 20% of its net assets.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

The limits provided for in sub-paragraphs 3.1 (a) to (d) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 3.1 (a) to (d) shall under no circumstances exceed in total 35% of the net assets of the Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/ EEC or in accordance with recognized international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 3.1. (a) to (d) above.

The Sub-Fund may not invest cumulatively more than 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 3.1. (a) and the three indents under 3.1 (d) above.

Without prejudice to the limits laid down in paragraph 3.3. below, the limit of 10% laid down in sub-paragraph 3.1.(a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, 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.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

**By way of derogation, each Sub-Fund is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, by a member country of the OECD, of the G20 ( international forum for the governments and central bank governors from 20 major economies), by Singapore or by public international bodies of which one or more Member States are members, provided that (i) such securities are part of at least six different issues and (ii) securities from any one issue do not account for more than 30% of the net assets of such Sub-Fund.**

**3.2** The Fund may not invest in shares with voting rights enabling it to exercise significant influence over the management of the issuing body.

**3.3** The Fund may not:

- (a) Acquire more than 10% of the shares with non-voting rights of one and the same issuer.
- (b) Acquire more than 10% of the debt securities of one and the same issuer.

- (c) Acquire more than 25% of the units of one and the same undertaking for collective investment.
- (d) Acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 3.3. (b) (c) and (d) above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

**3.4** The limits stipulated in paragraphs 3.2. and 3.3. above do not apply to:

- (a) Transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
- (b) Transferable securities and money market instruments issued or guaranteed by a non-Member State,
- (c) Transferable securities and money market instruments issued by public international institutions to which one or more Member States are members,
- (d) Shares held by a Sub-Fund in the capital of a company incorporated in a non-Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that State such a holding represents the only way in which such Sub-Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State complies with the limits laid down in articles 43, 46 and 48 (1) and (2) of the 2010 Law. Where the limits set in articles 43 and 46 of the 2010 Law are exceeded, article 49 shall apply mutatis mutandis,
- (e) Shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of Units at Unitholders' request exclusively on its or their behalf.

**3.5** The Fund may always, in the interest of the Unitholders, exercise the subscription rights attached to securities, which forms part of its assets.

When the maximum percentages stated in paragraphs 2.2. through 3.3 above are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Fund must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its Unitholders.

**3.6** A Sub-Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Fund may acquire for the account of a Sub-Fund foreign currency by way of back-to-back loan. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or future contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

**3.7** The Fund may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 2.1. (f), (h) and (i) above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.

**3.8** The Fund undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 2.1. (f), (h) and (i) above; provided that this restriction shall not prevent the Fund from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to below.

**3.9** The Fund's assets may not include precious metals or certificates representing them or commodities.

**3.10** The Fund may not purchase or sell real estate or any option, right or interest therein, provided that the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

**3.11** The Fund will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Units are marketed.



**3.12** The Fund shall not issue warrants or other rights to subscribe for Units in the Fund to its Unitholders.

The Fund, in each Sub-Fund may invest in warrants in a proportion not exceeding 10% of the relevant Sub-Fund's net assets in terms of the total amount of premium paid.

The Fund shall take the risks that it deems reasonable to reach the assigned objective set for each Sub-Fund; however, it cannot guarantee that it shall reach its goals given stock exchange fluctuations and other risks inherent in investments in transferable securities.

#### **4 Derivatives and Financial Techniques and Instruments**

**4.1** The Sub-Funds are in principle authorised to use derivatives either for hedging or efficient portfolio management purposes including duration management or as part of their investment strategies as described in the Sub-Funds' investment objectives.

**4.2** The Fund must employ a risk-management process in accordance with CSSF Circular 11/512 and article 13 of CSSF Regulation 10-4, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC Derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

**4.3** In addition, the Fund may be authorized to employ techniques and instruments relating to transferable securities and to money market instruments under the conditions and within the limits laid down by the CSSF for the purpose of efficient portfolio management or for hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Law. Under no circumstances shall these operations cause the Fund to diverge from its investment policies and restrictions.

**4.4** The Fund will ensure that the global exposure relating to derivatives shall not exceed the total net value of a Sub-Fund. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The global exposure of the Sub-Funds resulting from the use of financial derivative instruments is calculated according to the commitment approach.

The Sub-Funds may invest, as part of their investment policy and within the limits laid down in paragraph 3.1. (a) to (d) above in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 3.1. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph 3.1.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

**4.5** **Notwithstanding the section 3.3 above, at the date of this Prospectus, investments into securities financing transactions as defined under EU Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFTR") are not permitted.**

**Should any Sub-Fund in the future be permitted to enter into securities financing transactions, all the relevant information will be included in the Prospectus, in accordance with article 14.2 of the SFTR.**

## 4.6 OTC Derivatives

An OTC Derivative is a derivative instrument which is not listed and traded on a formal exchange but is traded by counterparties who negotiate directly with one another over computer networks and by telephone. The counterparty risk on any transaction involving an OTC Derivative instrument may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing on the EU. This limit is set at 5% in any other case.

The Management Company's delegates will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for these transactions.

The Sub-Funds may use OTC Derivatives for the purpose of currency hedging. Rebalancing arrangements are in place with a view to ensuring that the exposure of each of the Sub-Funds to the counterparty risk resulting from those OTC Derivatives will not exceed the thresholds set forth in the 2010 Law. As a consequence, no collateral will be posted by or to the Fund in this context. Notwithstanding the foregoing, all requirements applicable under the European Market Infrastructure Regulation No 648/2012 will have to be complied with.

## 4.7 Management of collateral for OTC Derivative transactions and EPM Techniques

**4.7.1** If any collateral is to be obtained in respect of OTC Derivative transactions and EPM Techniques ("Collateral"), such Collateral must comply with the following criteria:

- (a) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of article 56 of the UCITS Directive;
- (b) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
- (c) issuer credit quality: Collateral should be of high quality;
- (d) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (e) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Sub-Fund's Net Asset Value. When a Sub-Fund is exposed to different counterparties, the different baskets of Collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
- (f) immediately available: Collateral must be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

**4.7.2** Where there is title transfer, the Collateral received should be held by the Depositary, or its agent. Where there is no title transfer the Collateral can be held by a third-party depositary which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

**4.7.3** When the Collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in section 2.5. above.

**4.7.4** During the duration of the agreement, non-cash collateral cannot be sold, re-invested or pledged.

**4.7.5** Cash received as collateral may only be:

- (a) placed on deposit with entities prescribed in Article 50(f) of Directive 2009/65/EC;
- (b) invested in high quality government bonds;

- (c) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and
- (d) invested in short term money market funds as defined in the CESR Guidelines on a common definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

As a Sub-Fund may reinvest cash collateral it receives, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance, the Sub-Fund would be required to cover the shortfall. In case of cash collateral reinvestment, all risks associated with a normal investment will apply.

**4.7.6** A Sub-Fund receiving collateral for at least 30% of its assets must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable such Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy must at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- (b) empirical approach to impact assessment including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold/s; and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

**4.7.7** The Sub-Fund must have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, the Sub-Fund must take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the above. This policy must be documented and must justify each decision to apply a specific haircut, to a certain class of assets.

**4.7.8** On the date of this prospectus, the Fund does not perform transactions in OTC derivative financial instruments and/or use efficient portfolio management techniques. If the Fund needs to resort to this type of operation, then the prospectus will be updated in accordance with current legislation and regulations so that it specifies the types of collateral received by each Sub-Fund under any such transaction to offset the net exposure per counterparty, the conditions to be met, particularly in terms of liquidity, the valuation, the issuer's credit quality, and the applicable haircut policy, and the Fund's annual report shall indicate the identity of the counterparty, if the counterparty is a party linked to the Management Company or the Depositary, and will set out the details of the income generated by these transactions and their related costs.

## **B SUB-FUNDS AND UNITS**

### **1 Sub-Funds**

The Management Regulations provide that the Management Company shall establish a portfolio of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the allotment and issue of Units of each Sub-Fund shall be applied in the books of the Fund to the relevant Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund, subject to the provisions of the Management Regulations;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each valuation of an asset, the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (c) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund; the liabilities shall be segregated on a Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned;

- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated by the Management Company, after consultation with the auditors, in a way considered to be fair and reasonable having regard to all relevant circumstances;
- (e) upon the record date for the determination of any dividend declared on a Distributing Unit of any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the amount of such dividend, but subject always to the provisions relating to the calculation of the Dealing Price of the Distributing Units and Accumulating Units of each Sub-Fund set out in the Management Regulations.

## **2 Units**

### **1. Issue of Units**

The Management Company is authorised without limitation to issue Units (and within each Sub-Fund to issue different Classes of Units) at any time at the relevant Dealing Price per Unit which is based on the Net Asset Value determined according to the Management Regulations without reserving preferential subscription rights to existing Unitholders. Units of the Fund have no par value and are available only in registered, uncertificated form. Title to registered Units is evidenced by an entry in the Fund's Unit register.

### **2. Fractions**

Fractions of registered Units (issued to four decimal places) may also be allotted and issued, whether resulting from purchases of Units or the reinvestment of any dividends.

### **3. Joint Holders**

The Administration Agent shall register registered Units jointly in the names of not more than four holders should they so require. In such cases rights attaching to such Units shall be exercised jointly by all of those parties in whose names they are registered unless they appoint one or more persons specifically to do so. The registered address will be that of the first joint holder registered with the Fund.

### **4. Unitholder Rights and Restrictions**

- (a) Units relate to separate Sub-Funds designated by reference to the portfolio of permitted investments and other permitted investments to which the Sub-Fund relates. Units of a Sub-Fund have no preferential or pre-emption rights. All Units within each Sub-Fund have equal rights and privileges. Each Unit of each Sub-Fund is, upon issue, entitled to participate equally with all other Units of such Sub-Fund in any distribution upon declaration of dividends in respect of such Sub-Fund or upon liquidation of the Sub-Fund.
- (b) The Management Company may impose or relax such restrictions (other than any restrictions on transfer of Units) as it may think necessary to ensure that Units (of whichever Class) are not acquired or held by or on behalf of (i) any person in breach of the law or requirements of any country, governmental or regulatory authority; or (ii) any person in circumstances which in the opinion of the Management Company might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered, or (iii) any person that violates the trading policy of the Fund or any Sub-Fund, which policy is meant to protect against both potential disruptions in portfolio management and increased expenses. In addition to the foregoing, the Management Company may determine to restrict the purchase of Units when it is in the interest of the Fund and/or its Unitholders to do so, including when the Fund or any Sub-Fund reaches a size that could impact the ability to find suitable investments for the Fund or Sub-Fund.
- (c) The Management Company may restrict or prevent the ownership of Units by any person, firm or body corporate and without limitation by any citizen of the United States of America as defined in the Management Regulations. For such purposes, the Management Company may decline to issue any Unit where it appears to it that such registration would or might result in such Unit being directly or beneficially owned by a person who is precluded from holding Units in the Fund, or may, at any time, require a Unitholder whose name is entered in the register of Unitholders to provide such information, as it may consider necessary, supported by an affidavit to establish whether or not beneficial ownership of such Unitholders' Units rests in a person who is precluded from holding Units in the Fund.
- (d) Where it appears to the Management Company that any person who should be precluded from holding Units in the Fund, either alone or with any other person, is a beneficial or registered owner of Units, it may compulsorily redeem such Units.

### **3 Deferral of Redemptions/ Conversions**

The Management Company shall not on any Business Day or in any period of seven consecutive Business Days, be bound to redeem (or convert into another Class) more than 10 per cent of the number of Units relating to any Sub-Fund then in issue. If on any Business Day, or in any period of seven consecutive Business Days, the Management Company receives requests for redemptions (or conversion) corresponding to a greater number of Units, it may declare that such redemptions (or conversions) are deferred until a Business Day not more than seven Business Days following such time. Any redemption (or conversion) requests in respect of the relevant Business Day so reduced will be effected in priority to subsequent redemption (or conversion) requests received on the succeeding Business Day, subject always to the 10 per cent limit. The limitation will be applied pro rata to all Unitholders who have requested redemptions (or conversions) to be effected on or as at such Business Day so that the proportion redeemed (or converted) of each holding so requested is the same for all such Unitholders. These limits will be used only at times when realising assets of a Sub-Fund to meet unusually heavy redemption (or conversion) requirements would create a liquidity constraint to the detriment of Unitholders remaining within the Sub-Fund.

### **4 Compulsory Redemptions and Amalgamation of Sub-Funds**

In the event that, for any reason, the Net Asset Value of any assets relating to any Sub-Fund or Class is lower than one billion JPY (¥1,000,000,000.-) or in the case of a Sub-Fund or Class denominated in a currency other than JPY, the equivalent in that currency of such amount, or in case that Management Company deems it appropriate because of changes in the economic or political situation affecting the Fund or the relevant Sub-Fund or Class, or because it is in the best interests of the relevant Unitholders, the Management Company may redeem all (but not some) Units of the Fund or of the Sub-Fund or Class at a price reflecting the anticipated realisation and liquidation costs on such closing, but with no redemption charge, or may, merge that Sub-Fund or Class with another Sub-Fund or Class of the Fund or with another Luxembourg UCI.

The Investment Manager may also at any time redeem, or request the transfer of, Units held by Unitholders who are excluded from purchasing or holding Units under the Management Regulations. Any such redemption will be made on a Valuation Day at a price equal to the Net Asset Value per Unit on the relevant Valuation Day on which the Units are to be redeemed.

The Fund and the various Sub-Funds shall be established for an unlimited period. Unitholders, their heirs and any other beneficiaries may not demand the dissolution or division of the Fund or of a Sub-Fund. The Fund may be dissolved at any time by mutual agreement of the Management Company and the Depositary. Notice must be given by announcements in the *RESA* and in two newspapers, one of which at least must be a Luxembourg newspaper. No Units may be issued, redeemed or converted after the date of such decision of the Management Company and the Depositary.

In the event of the liquidation of the Fund the Management Company shall realize the assets of the Fund in the best interest of the Unitholders, and the Depositary shall distribute the net liquidation proceeds corresponding to each Sub-Fund, after deduction of liquidation charges and expenses, to the holders of Units of each Sub-Fund in the proportion of the respective net asset values per Unit, all in accordance with the directions of the Management Company.

Liquidation proceeds not claimed by the Unitholders at the close of the liquidation of a Sub-Fund or Class will be deposited at the *Caisse de Consignation* in Luxembourg. If not claimed, they shall be forfeited after 30 years.

## **C VALUATIONS**

### **1 Net Asset Value Determination and Dealing Prices**

- (1) Each Sub-Fund, and if applicable with each Class and Category, is valued daily on a Business Day (as noted defined for each Sub-Fund in the relevant appendix). If after such valuation, in the opinion of the Management Company, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Fund attributable to a particular Sub-Fund is dealt or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Fund, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues or redemptions of Units shall be dealt with in accordance with this second valuation.

- (2) The financial statements of the Fund will be prepared in relation to each Sub-Fund in the currency of denomination of such Sub-Fund. The Net Asset Value of the Units of each Sub-Fund and each Class will be expressed in the relevant currency of the Sub-Fund or Class (where applicable) concerned and shall be determined on each Business Day by aggregating the value of securities and other assets of the Fund allocated to that Sub-Fund or where applicable to the relevant Class and deducting the liabilities of the Fund allocated to such Sub-Fund and Class. The Fund may operate equalisation arrangements.
- (3) The assets of the Fund shall be deemed to include:
- a. all cash in hand or receivable or on deposit, including accrued interest;
  - b. all bills and notes payable on demand and any amounts due (including the proceeds of securities sold but not yet collected);
  - c. all securities, units, bonds, debentures, options or subscription rights and any other investments and securities belonging to the Fund;
  - d. all dividends and distributions due to the Fund in cash or in kind to the extent known to the Management Company provided that the Management Company may adjust the valuation for fluctuations in the market value of securities due to trading practices such as trading ex-dividend or ex-rights;
  - e. all accrued interest on any interest-bearing securities held by the Fund except to the extent that such interest is comprised in the principal thereof;
  - f. the preliminary expenses of the Fund insofar as the same have not been written off; and
  - g. all other permitted assets of any kind and nature including prepaid expenses.

Effect shall be given on any Business Day to any purchases or sales of securities contracted for by the Fund on such Business Day, to the extent practicable.

- (4) The value of assets of the Fund shall be determined as follows:
- a. the value of any cash in hand or on deposit, discount notes, 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 Management Company may consider appropriate in such case to reflect the true value thereof;
  - b. the value of all portfolio securities which are listed on an official stock exchange or traded on any other regulated market will be valued at the last available closing price on the principal market on which such securities are traded, as furnished by a pricing service approved by the Management Company. If such prices are not representative of the fair value, such securities as well as all other permitted assets, including securities which are not listed on a stock exchange or traded on a regulated market, will be valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the Management Company;
  - c. all investments, cash balances and other assets of the Fund expressed in currencies other than the currency of denomination in which the Net Asset Value of the Sub-Fund is calculated, shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of Units.
- (5) The liabilities of the Fund shall be deemed to include:
- a. all borrowings, bills and other amounts due;
  - b. all administrative expenses due or accrued including the costs of its constitution and registration with regulatory authorities, as well as legal, audit, management, advisory, custodial, paying agency, corporate and central administration agency fees any other representatives and agents of the Fund fees and expenses, the costs of legal publications, prospectuses, financial reports and other documents made available to Unitholders, translation expenses and generally any other expenses arising from the administration of the Fund;

- c. all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the Fund and which remain unpaid;
- d. Units of the Fund in respect of which the Management Company has issued a redemption notice or in respect of which a redemption request has been received and accepted, shall be treated as existing and taken into account on the relevant Business Day, and from such time and until paid, the redemption price therefore shall be deemed to be a liability of the Fund;
- e. an appropriate amount set aside for taxes due on the date of the valuation and any other provisions or reserves authorised and approved by the Management Company; and
- f. any other liabilities of the Fund of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Fund may duly take into account all administrative and other expenses of regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

- (6) Whenever the Management Company shall offer or redeem Units, the price per Unit at which such Units shall be offered or redeemed shall be based on the Net Asset Value of the relevant Sub-Fund, and shall be divided by the number of Units, as adjusted for the number of the different Classes of Units of the relevant Sub-Fund expected (in the light of information available at such time) to be in issue or deemed to be in issue at that time, rounded to 4 decimal places.
- (7) The Dealing Prices of the different Classes of Units in each Sub-Fund are normally calculated by dividing each Class' Unit of the Sub-Fund's net assets by the Units outstanding for that Class on each Business Day and may be further adjusted to reflect the expenses, liabilities or assets specifically attributable to each Class (including the gains/losses on and costs of the financial techniques and instruments employed for the purposes of currency hedging).
- (8) **Dilution Levy** – The Management Company, having due regard to the interests of the Unitholders, may, at its sole discretion, decide to charge a dilution levy for large subscriptions and/or redemptions of Units. For the purposes of the dilution levy, a conversion of Units from one Sub-Fund to another is considered as a redemption followed by a subscription. Upon review of the daily net subscription and redemption inflows/outflows, the Management Company may, at its sole discretion, impose a dilution levy in the following circumstances:
  - a. in respect of Units redeemed on a particular Valuation Day, where the net redemptions of Units of the Sub-Fund in which the redemption is instructed exceed 15% in value (calculated by reference to their current price) of the issued Units of that Sub-Fund;
  - b. in respect of Units purchased on a particular Valuation Day, where the net purchases of Units of the Sub-Fund in which the purchase is instructed exceed the same percentage.

The dilution levy may also be charged in any other case where the Management Company is of the opinion that the interests of Unitholders require imposition of a dilution levy.

If charged, the results of the dilution levy will be retained by the relevant Sub-Fund and become part of the relevant Sub-Fund, by way of being embedded in the adjustment of that days published Net Asset Value price, which will include said dilution charge.

The dilution levy in favour of the relevant Sub-Fund and not exceeding 0.5% of the applicable Net Asset Value of the Units subscribed for or redeemed, may be charged if the Management Company, in its opinion, considers that the existing Unitholders (in case of subscriptions) or remaining Unitholders (in case of redemptions) might otherwise be adversely affected. In order to ensure equal treatment between Unitholders, the same rate of the dilution levy (if any) will be applied to all the investors subscribing for or redeeming (as appropriate) Units in the relevant Sub-Fund on the same Valuation Day.

## 2 Suspension of the Calculation of the Net Asset Value and Issue and Redemption of Units

The Management Company may temporarily suspend the determination of the Net Asset Value of any Sub-Fund and the issue and redemption of Units relating to all or any of the Sub-Funds:

- (1) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Fund's investments of the relevant Sub-Fund for the time being are quoted, is closed (other than for ordinary public holidays) or during which dealings are restricted or suspended, or
- (2) during the existence of any state of affairs which in the opinion of the Management Company constitutes an emergency, as a result of which disposals or valuation of assets attributable to investments of the relevant Sub-Fund is impractical, or
- (3) during any breakdown in, or restriction in the use of, the means of communication normally employed in determining the prices of any of the investments attributable to such Sub-Fund or the current prices or values on any market or stock exchange, or
- (4) any period when, for any other reason, the prices of any investments attributable to any Sub-Fund cannot be promptly or accurately ascertained, or
- (5) during any period when remittance of monies which will or may be involved in the realisation of, or in the payment for, any of the Fund's investments is not possible, or
- (6) in case of a decision to liquidate the Fund or a Sub-Fund in accordance with the Management Regulations, or
- (7) the period following a determination by the Management Company that there has been a material change in the valuation of a substantial proportion of the investments of any Sub-Fund, and that in order to safeguard the interests of Unitholders and the Fund, the preparation or use of a valuation may be delayed or substituted by a later or subsequent valuation, or
- (8) during any period when in the opinion of the Management Company there exist circumstances beyond the control of the Management Company where it would be impracticable, inappropriate or unfair towards the Unitholders to continue dealing in Units of all or any particular Sub-Funds of the Fund.

The Management Company shall suspend the issue and redemption of Units forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

Unitholders having requested subscription or redemption of their Units shall be notified of any such suspension within seven days of their request and will be promptly notified of the termination of such suspension. Other Unitholders will be informed by mail of any such suspension and of the termination thereof if the suspension is maintained for more than seven consecutive Business Days.

The suspension of any Sub-Fund will have no effect on the calculation of the Net Asset Value and the issue and redemption of the Units of any other Sub-Fund.

## **D GENERAL**

1. Any complaints regarding the operation of the Fund should be submitted in writing to the Management Company or to the Administration Agent for transmission to the Management Company.
2. Documents available for Inspection

The following documents will be available for inspection during normal business hours at the offices of the Management Company and the Global Distributor:

- (a) The key investor information document ("**KIID**") of each Sub-Fund;
- (b) The Management Regulations;
- (c) The Depositary Agreement between the Management Company and Brown Brothers Harriman (Luxembourg) S.C.A.;
- (d) The Administration Agreement between the Management Company and Brown Brothers Harriman (Luxembourg) S.C.A.;
- (e) The investment Management Agreement between the Management Company and Sumitomo Mitsui Trust Asset Management Co., Ltd.;
- (f) The articles of incorporation of the Management Company; and



(g) The latest annual and semi-annual reports of the Fund.

Copies of the documents under (a), (b), (f) and (g) above may be obtained without cost at the registered offices of the Management Company and the Global Distributor.

3. Representatives of the Fund

Where required by local laws or regulations, the Fund may, in countries where Units are offered for sale appoint representatives of the Fund ("Representatives") from whom Dealing Prices for all Sub-Funds may be obtained on each Business Day and from whom other authorised information in respect of the Fund may be obtained, all as further described in the supplements to this Prospectus (the "Supplements") as may be attached to the current Prospectus in respect of the offer of Units in the various countries in which the Fund shall obtain registration for the offering of its Units.

4. US Persons

The Units have not been registered under the United States Securities Act of 1933, as amended, or under the securities laws of any State and the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Units may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States person ("**US Person**"). For this purpose, a US Person is defined as:

- (a) any natural person resident in the United States of America, its territories or possessions ("**the United States**"); or
- (b) any corporation or partnership organised or incorporated under the laws of the United States or of any other jurisdiction if formed other than by accredited investors who are not natural persons, estates or trusts principally for the purpose of investing in securities not registered under the United States Securities Act of 1933; or
- (c) any agency or branch of a foreign entity located in the United States; or
- (d) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or shared investment discretion over the assets of the estate and such estate is governed by non-US Law); or
- (e) any trust of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or shared investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or
- (f) any 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 US Person; or
- (g) 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 for the benefit or account of a US Person.

5. Indices

As an alternative to direct investment, exposure to instruments or markets may be obtained through the use of derivative instruments the returns on which are referenced to the performance of financial indices.

Reference is made to the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**").

The Management Company is working with the directors of the relevant benchmark to confirm that directors will be included, or intend to be included, in the register maintained by ESMA under the Benchmark Regulation.

The Management Company will establish and maintain strong written plans describing what action it would take if a benchmark was materially modified or discontinued.

**Financial indices to which a Fund may gain exposure will be rebalanced/adjusted on a periodic basis (i.e., either on a weekly, monthly, quarterly, semi-annual or annual basis). The costs associated with gaining**

exposure to a financial index may be impacted by the frequency with which the relevant financial index is rebalanced, as an index may pass on rebalancing costs by including them in the price of the index. Where the weighting of a particular constituent in a financial index exceeds a Fund's investment restrictions, the Investment Manager will, as a priority objective, look to remedy the situation in a reasonable time frame, taking into account the interests of the Fund and Unitholders.

## Appendix I – Sakigake High Alpha – Japan Thematic Growth

### Investment Objective

**Sakigake High Alpha – Japan Thematic Growth**'s investment objective is to generate excess return against the designated benchmark TOPIX Total Return Index on a consistent basis, measured in JPY. The investment objective is pursued through investing at least two thirds of the assets in a high conviction concentrated portfolio of equities or equity related securities which are listed or traded on recognised exchanges in Japan, with a high return potential.

The Sub-Fund promotes environmental and/or social characteristics (as provided for under Article 8 SFDR) by applying environmental, social and/or governance (or ESG) criteria to the portfolio, the ESG performance of portfolio being reviewed on a quarterly basis. Please refer to the section entitled "Environmental and/or social characteristics promoted by the Sub-Fund" of this Appendix for additional details on the Sub-Fund's ESG-related investment strategy.

The Sub-Fund is actively managed. The Sub-Fund is managed in reference to the TOPIX Total Return Index (the "**Benchmark**"), in particular for outperformance, as part of Investment Manager's ESG scoring process and as a comparator for marketing purposes. The Sub-Fund's portfolio may consist of constituents of the Benchmark or may differ from the components of the Benchmark in a more or less extensive manner. The Investment Manager has the discretion to invest in securities of issuers which are not included in the Benchmark, notably to take advantage of specific investment opportunities. There are no restrictions on the extent to which the Sub-Fund's holdings may deviate from the Benchmark. For the avoidance of doubt, the Benchmark has not been designated as a reference benchmark (as referred to in SFDR) for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

*Sakigake* means pioneer or leader in Japanese. The Investment Manager aims to achieve the investment objective by identifying long-term investment themes and Sakigake stocks which falls into each theme through fundamental research.

The Investment Manager may use one or more derivatives, including swaps, futures, forwards, options, and other contingent liability investments whether executed on a recognised exchange or market or traded over-the-counter ("OTC"). The forwards instruments will be used for hedging purposes only.

The overall risk exposure of the Sakigake High Alpha – Japan Thematic Growth resulting from the use of financial derivative instruments is calculated according to the commitment approach.

In addition, the assets of the Sub-Fund may include adequate cash and cash equivalents, which under normal circumstances can be increased up to 10% of the assets of the Sub-Fund. Cash and cash equivalent assets include but are not limited to certificates of deposit, treasury bills and notes, currency forwards, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.

### *Engagement with Management of Investee companies*

The Investment Manager, as a responsible asset manager, recognises the importance of active engagement with the investee companies. The Investment Manager will regularly engage with the management of the investee company management with the aim to improve the medium-to-long term value and the overall market value of the company and generate excess returns for the Sub-Fund. The engagement is conducted considering the issues (including ESG-related issues) for each company that may affect the company's medium-to-long term growth as specified by the Investment Manager.

### **Environmental and/or social characteristics promoted by the Sub-Fund**

#### *Introduction*

The Sub-Fund promotes environmental and/or social characteristics but does not have as its objective a sustainable investment. The Sub-fund does not invest in sustainable investments as defined under Article 2(17) of SFDR.

#### *Sustainability Indicator*

The sustainability Indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund's weighted average ESG Score relative to that of the TOPIX Total Return Index. In this Appendix, "ESG Score" means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, where the "ESG Scoring Process" means the scoring process of the Investment Manager whereby the Investment Manager issues a score to each issuer of stocks.

#### *Investment Strategy*

The Sub-fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria described in the

paragraph entitled “ESG Scoring Process” below, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. In this Appendix, the “ESG Scoring Threshold” means the average ESG Score, weighted with market capitalization, of the TOPIX components. The Investment Manager actively manages the Sub-Fund’s portfolio to keep the weighted average ESG Score of the Sub-Fund’s portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund’s exposure to certain investee companies, as the Investment Manager believes necessary.

The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting for removal of board members of the investee companies, voting against the investee company led resolutions, communicating with the competent authority regulating the business of the investee company or initiating the statement of Climate Action 100+, in addition to the frequent communication with the investee company.

**ESG Scoring Process**

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring Process, which involves scoring each issuer on its current level of performance and the quality of each issuer’s policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under “ESG Materiality” below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

**ESG Materiality**

The ESG Scoring Process is informed by and based on the following ESG materiality:

<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

In addition, the Investment Manager’s analysts seek information through direct engagement with company management.

Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):

- (i) Issuing the provisional ESG score for the issuer based on the raw data.
- (ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.
- (iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).
- (iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s

business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.

- (v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts' research of the issuer and engagement with the company management of the issuer.

The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.

#### *Management of Sustainability Risk*

The management of sustainability risk forms a part of the due diligence process implemented by the Investment Manager. The universe of sustainability events or conditions is very broad, and their relevance, materiality and impact on investments will depend on a number of factors such as asset location and/or sector. Depending on the circumstances, examples of sustainability risks can include but are not limited to physical environmental risks, climate change transition risks, supply chain disruptions, improper labour practices, lack of board diversity and corruption. If they materialize, sustainability risks can reduce the value of the Sub-Fund and could have a material impact on the performance and returns of the Sub-Fund.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition ("ESG Event").

Using qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager uses its proprietary MBIS assessment framework ("**MBIS**") in order to assess non-financial information including sustainability risk of a security and to identify whether it is vulnerable to such risk. MBIS evaluation score is qualitatively given to all equities in the Sub-Fund investment universe. The ESG Scoring Process as explained in the paragraph entitled "ESG Scoring Process" has been and will be carried out as an important part of MBIS assessment. When evaluating the ESG-related elements in MBIS, the ESG Scores are taken into account and integrated into the overall MBIS evaluation scores given to the equities.  
The Investment Manager conducts analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces through MBIS. The MBIS score will be taken into account by the relevant portfolio manager of the Sub-Fund in deciding whether to acquire a holding in an issuer.
- (ii) During the life of the investment, sustainability risk is monitored through review of MBIS to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased according to MBIS, the Investment Manager will engage with investee company management and/or relevant advisers on these matters and may, if the circumstances require it, consider selling or reducing the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

The potential negative financial impact of sustainability risks is inherently mitigated by (i) the diversification of the Sub-Fund's portfolio and (ii) the consistent integration of sustainability risks in the investment decision as described above. At the date of this Prospectus, the Management Company and the Investment Manager have not identified any material sustainability risks embedded in the Sub-Fund's assets or likely to be incurred in future investment decisions and therefore do not expect sustainability risks to have a material negative financial impact on the value or performance of the Sub-Fund.

#### *EU Environmental Taxonomy Criteria*

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Further Information*

For further information on the Sub-Fund's ESG strategy, please refer to the SFDR annex in this Appendix.

#### **Investor Profile**

This Sub-Fund is suitable for an eligible investor wishing to draw long-term benefits from the dynamics of a diversified portfolio of securities and who is prepared to accept the related risk.

**In addition to the "General Risk Considerations" as described in the prospectus, it should be noted that this Sub-Fund will be taking positions in companies established or operating in, and/or whose securities trade in, Japan, which might notably involve the following additional risks:**

*Political Risks*

Investments made by the Sub-Fund may be materially adversely impacted by Japanese politics and changes in the political scenario in Japan. Actions of the Government could have a significant effect on the Japanese economy, which could affect private sector companies and market conditions, prices and yields of securities in the Sub-Fund's portfolio.

*Economic Risk*

The Sub-Fund may be highly linked to the performance of the Japanese economy. For instance, a slowdown in economic growth or macro-economic imbalances may adversely affect investments in the country.

*Concentration Risk*

While the assets of the Sub-Fund will always be invested in compliance with the diversification requirements provided by applicable law, the Sub-Fund will be invested in a concentrated portfolio of companies which could increase the risk of losses in adverse market conditions.

<b>Investment Manager</b>	Sumitomo Mitsui Trust Asset Management Co., Ltd.
<b>Currency of denomination of the Sub-Fund</b>	JPY
<b>Unit Class Currencies</b>	JPY; GBP; EUR; USD
<b>Hedged Unit Class Currencies<sup>1</sup></b>	GBP; EUR; USD
<b>Business Day</b>	Every day which is a bank and stock exchange full business day in Luxembourg, London and in Japan.
<b>Valuation Day</b>	Every Business Day
<b>Application Deadline</b>	5:00pm CET on the Business Day preceding the relevant Valuation Day
<b>Time for the payment of the subscription price</b>	T+2 Business Days
<b>Time for the payment of the redemption proceeds</b>	T+2 Business Days under normal circumstances. Redemption proceeds in respect of Units will be paid on or within ten Business Days following the Application Deadline.
<b>Initial Subscription Period</b>	From 25 May 2018 to 8 June 2018.
<b>Launch Date</b>	31 May 2018
<b>Financial Year</b>	From 1 April to 31 March in each year
<b>Interim Financial Year</b>	From 1 April to 30 September in each year
<b>First Financial Year</b>	31 March 2019
<b>Overall Management Costs</b>	<p>The Overall Management Costs correspond to the fees that external services providers are entitled to receive out of the assets of the Sub-Fund. It includes the Management Fee, the Depositary and Administration Agent Fee and other similar fees.</p> <ul style="list-style-type: none"> <li>• The Management Company is entitled to a fee of 0.06 % of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of EUR 1,200 per month. Additionally, the Management Company is entitled to a Depositary oversight fee of EUR 13,000 per annum at Fund level and any other variable charges as provided for in the Management Company Agreement.</li> <li>• The Administration Agent is entitled to a fee of up to 0.05% of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of USD 3,200 per month, and any other variable charges as provided for in the Administration Agreement.</li> </ul> <p>Additionally, the Administration Agent is entitled to an annual fee of USD 10,000 at the level of the Fund by levying 1/12 of the fee on a monthly basis, and up to USD 1,500 per annum at the Sub-Fund level, plus any other variable charges for the provision of reporting services in relation to CRS and FATCA.</p> <ul style="list-style-type: none"> <li>• The Depositary is entitled to a fee of up to: <ul style="list-style-type: none"> <li>(a) For Hedged assets: 0.08 % of the Net Asset Value of the hedged assets per annum, subject to a minimum fee of USD 1,300 per month. Additionally, the Depositary is entitled to a minimum fee for Hedging services of USD 50,000 per annum charged at fund level, and any other variable charges as provided for in the Depositary Agreement;</li> <li>(b) For unhedged assets: 0.03% of the Net Asset Value of the unhedged assets per annum, subject to a minimum fee of USD 1,300 per month and any other variable charges as provided for in the Depositary Agreement.</li> </ul> </li> </ul>

<sup>1</sup> Fund class operating fees will be by agreement subsidised by the Global Distributor, when the class is not yet of suitable size to cover its own operational costs. This will not affect the normal charges paid by Investors as described above and on the following page.

	<p>Additionally, the Depository is entitled to an oversight fee of 0.01% of the Net Asset Value of the Sub-Fund subject to a minimum fee of USD 750.</p> <ul style="list-style-type: none"> <li>The Global Distributor will in normal circumstances assume any expenses if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the Net Asset Value of the Sub-Fund exclusive of i) Investment Management Fee, ii) Distribution Fees, and iii) FX hedging fees.</li> </ul>
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Unit Classes	Class A (1)	Class B (2)	Retail Class (3)	RDR Class (4)	Class C (5)
Categories	a	a	a	a	a
Collective Fees (investment management and distribution) (6)	0.70% of the Net Asset Value of the Sub-Fund per annum.	0.40% of the Net Asset Value of the Sub-Fund per annum.	1.30% of the Net Asset Value of the Sub-Fund per annum.	0.70% of the Net Asset Value of the Sub-Fund per annum.	1.55% of the Net Asset Value of the Sub-Fund per annum.
Subscription Fee	up to 3%	up to 3%	up to 5%	up to 3%	up to 3%
Redemption Fee	0%	0%	up to 1%	0%	0%
Conversion Fee	0%	0%	up to 1%	0%	0%

(1) The Class A is opened to all investors.  
(2) The Class B is reserved for early bird investors who invest earlier than either i) 31/3/2021 or ii) the AUM of the Sub-Fund exceed USD 100 million.  
(3) The Retail Unit Class is intended for investors who are resident in countries which permit the payment of trailer fees and commissions. Any trailer fee and commission will be paid out of the annual fee of the Investment Manager.  
(4) The Retail Distribution Review (“RDR”) Unit Class is intended for investors who are resident in countries which prohibit the payment of trailer fees and commissions and/or to investors with a separate fee arrangement with their financial intermediary.  
(5) The Class C is opened to all investors.  
(6) calculated on a daily basis and payable quarterly in arrears.

With respect to the hedged classes listed below, the Investment Manager shall seek to hedge all or part of the currency risk against the currency of such Hedged Classes.

	Class A / Class B / Class C						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000
Minimum subsequent investment	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000

	Retail Class / RDR Class						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minimum subsequent investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This information sheet is issued as a supplement to the Prospectus dated March 2021. The information contained within this information sheet should be read in conjunction with the full information contained in the Prospectus. In particular, investors should read the risk warnings set out in the Prospectus.



ANNEX II

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Sakigake High Alpha – Japan Thematic Growth **Legal entity identifier:** 549300G2FQK1YQBT6816

**Sustainable investment**

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**

- It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %
  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

**No**

- It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_ % of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

**What environmental and/or social characteristics are promoted by this financial product?**

Sakigake High Alpha – Japan Thematic Growth (“**Sub-Fund**”) promotes environmental and/or social characteristics, as provided for under paragraph 1 of Article 8 of Regulation (EU) 2019/2088, by applying environmental, social and/or governance (“**ESG**”) scoring process (“**ESG Scoring Process**”), which evaluates an issuer’s ESG performance against the ESG criteria based on the ESG Materiality. The “ESG Materiality” is identified by the investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Sustainability Indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund’s weighted average ESG Score relative to that of the Tokyo Stock Price Index (“**TOPIX**”) Total Return Index. “ESG Score” means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks.

*ESG Scoring Process*

The Sub-Fund will assess the environmental, social and governance practices of issuers through the application of the ESG Scoring Process, which involves scoring each issuer on its current level of performance and the quality of each issuer’s policies and initiatives designed to improve those practices. The environmental, social and governance criteria that each issuer is assessed against are summarised under “ESG Materiality” below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

ESG Materiality

The ESG Scoring Process is informed by and based on the following ESG materiality:

Environment	Social	Governance
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

In addition, the Investment Manager’s analysts seek information through direct engagement with company management.

Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):

- (i) Issuing the provisional ESG score for the issuer based on the raw data.

- (ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.
  - (iii) Adjusting the provisional ESG score based on the result of Investment Manager's engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager's engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).
  - (iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry's relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company's business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.
  - (v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts' research of the issuer and engagement with the company management of the issuer.
- The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.

- **What the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes

The Investment Manager uses all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement activities which are based on the ESG Materiality.

The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



	<p>Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality.</p> <p>Information on principal adverse impacts on sustainability factors can be found in the corresponding section of the Fund's annual report.</p> <p>The information concerning principal adverse impact at the Sub-Fund level will also be available in the Sub-Fund's annual reports.</p>
<input type="checkbox"/> No	
	<p><b>What investment strategy does this financial product follow?</b></p>
	<p>The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the TOPIX components.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score, as further explained in the sustainability indicators related question above, of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.</p> <p>The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
	<p>The Investment Manager assesses issuers' adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance in the process of the ESG Scoring Process.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted with market</p>

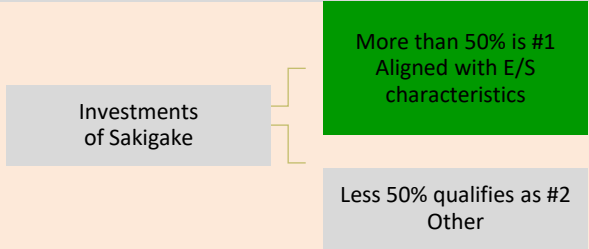
The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.


Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. As a result, at least 50% weight of portfolio have the companies/issuers whose ESG score is higher than that of reference index.
	<div style="text-align: center;">  </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>- The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>- The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul>

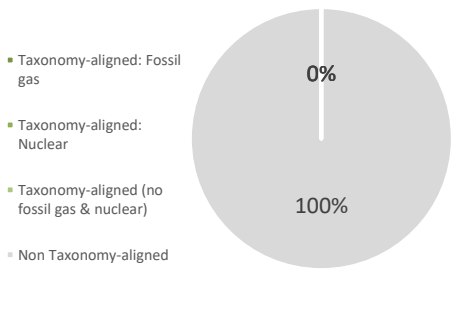
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

	<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	The Sub-Fund is authorised to use derivatives for hedging or efficient portfolio management purposes only.
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p> <p>While the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the Fund's portfolio alignment with the Taxonomy Regulation is not calculated. As such, the Sub-Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation.</p>
	<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?</b></li> </ul>
	<input type="checkbox"/> Yes:
	<input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy
	<input checked="" type="checkbox"/> No

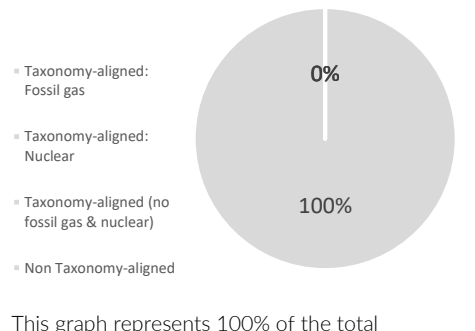
<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first paragraph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



\* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



**What is the minimum share of socially sustainable investments?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation.

Constantly, and in particular, in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.




**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
	Not applicable.
	<b>Where can I find more product specific information online?</b>
	More product-specific information can be found on the website:
	<a href="https://eu.sumitrust-am.com/funds">https://eu.sumitrust-am.com/funds</a>

## Appendix II – Japan Quality Growth Fund

### Investment Objective and Investment Policy

**Japan Quality Growth Fund's** investment objective is to provide investors with long term capital appreciation through investment in equity securities listed on the recognised exchanges in Japan.

The Sub-Fund will invest in “growth” Japanese equities, which are companies that are considered to be growing their revenue, profits or cash flow at a faster-than-average pace.

The investment objective will be achieved by investing primarily in a portfolio of equities or equity related securities which are listed or traded on recognised exchanges in Japan. The Sub-Fund may gain exposure to equities through investing directly in long only equities. The Sub-Funds' investments will not be restricted to any industry or sector.

The Sub-Fund promotes environmental and/or social characteristics (as provided for under Article 8 SFDR) by applying environmental, social and/or governance (or ESG) criteria to the portfolio, the ESG performance of portfolio being reviewed on a quarterly basis. Please refer to the section entitled “Environmental and/or social characteristics promoted by the Sub-Fund” of this Appendix for additional details on the Sub-Fund's ESG-related investment strategy.

When making investments, the Investment Manager uses a bottom-up approach to stock-picking and it attempts to identify appropriate investments. As part of the bottom-up approach, the Investment Manager will build its portfolio around companies which are most attractive at any point in time both in qualitative /business factors (such as talking to management; talking with a company's competitors, vendors and distributors; analysing a company's products or services in depth; determining the capability of the company's management; determining the company's competitive advantages) as well as financial factors (such as analysing income statements, balance sheets, cash flows and comparing current valuations with historical valuations).

The equity securities in which the Sub-Fund may invest may also be new issues of equity securities offered by way of initial public offerings. The equity and / or equity related securities in which the Sub-Fund shall invest may include common stock, preferred stock, government bonds and securities convertible into or exchangeable for such equity securities, such as convertible bonds. These convertible bonds may be corporate bonds, fixed and/or floating rate bonds and across all investment ratings.

The Sub-Fund is considered to be actively managed with reference to the Tokyo Stock Price Index (the “Benchmark”) by virtue of the fact that it seeks to outperform the Benchmark. However, the Benchmark is not used to define the portfolio composition of the Sub-Fund but solely for comparison and marketing purposes and as part of the Investment Manager's ESG scoring process. The Sub-Fund may be wholly invested in securities which will not be constituents of the Benchmark. As a result, the use of the Benchmark shall not fall within the scope of the Benchmark Regulation. For the avoidance of doubt, the Benchmark itself has not been designated as the benchmark which is aligned with each of the environmental or social characteristics of the Sub- Fund.

The Sub-Fund's investments are subject to the investment restrictions as set out in section “Investment Powers and Limitations” of the Prospectus. No assurance can be given that the Sub-Fund's investment objective will be achieved.

The Investment Manager may use one or more derivatives, including swaps, futures, forwards, options, and other contingent liability investments whether executed on a recognised exchange or market or traded over-the-counter (“OTC”). The forwards instruments will be used for hedging purposes only.

The overall risk exposure of the Japan Quality Growth Fund resulting from the use of financial derivative instruments is calculated according to the commitment approach.

In addition, the assets of the Sub-Fund may include adequate cash and cash equivalents, which under normal circumstances can be increased up to 10% of the assets of the Sub-Fund. Cash and cash equivalent assets include but are not limited to certificates of deposit, treasury bills and notes, currency forwards, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.

#### *Engagement with Management of Investee companies*

The Investment Manager, as a responsible asset manager, recognises the importance of active engagement with the investee companies. The Investment Manager will regularly engage with the management of the investee company management with the aim to improve the medium to-long term value and the overall market value of the company and generate excess returns for the Sub-Fund. The engagement is conducted considering the



issues (including ESG-related issues) for each company that may affect the company's medium-to-long term growth as specified by the Investment Manager.

**Environmental and/or social characteristics promoted by the Sub-Fund**

*Introduction*

The Sub-Fund promotes environmental and/or social characteristics but does not have as its objective a sustainable investment. The Sub-fund does not invest in sustainable investments as defined under Article 2(17) of SFDR.

*Sustainability Indicator*

The sustainability indicator used to measure the attainment of the environmental and social characteristics promoted by the Sub-Fund is the Sub-Fund's weighted average ESG Score relative to that of the TOPIX. In this Appendix, "ESG Score" means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, where the "ESG Scoring Process" means the scoring process of the Investment Manager whereby the Investment Manager issues a score to each issuer of stocks.

*Investment Strategy*

The Sub-fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria described in the paragraph entitled "ESG Scoring Process" below, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. In this Appendix, the "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the TOPIX components. The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.

The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting for removal of board members of the investee companies, voting against the investee company led resolutions, communicating with the competent authority regulating the business of the investee company or initiating the statement of Climate Action 100+, in addition to the frequent communication with the investee company.

*ESG Scoring Process*

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring Process, which involves scoring each issuer on its current level of performance and the quality of each issuer's policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under "ESG Materiality" below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

ESG Materiality

The ESG Scoring Process is informed by and based on the following ESG materiality:

<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer's historical and current performance in terms of the issuer's risk and opportunity management on the

“Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

In addition, the Investment Manager’s analysts seek information through direct engagement with company management.

Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):

- (i) Issuing the provisional ESG score for the issuer based on the raw data.
- (ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.
- (iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).
- (iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.
- (v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts’ research of the issuer and engagement with the company management of the issuer.

The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.

#### *Management of Sustainability Risk*

The management of sustainability risk forms a part of the due diligence process implemented by the Investment Manager. The universe of sustainability events or conditions is very broad, and their relevance, materiality and impact on investments will depend on a number of factors such as asset location and/or sector. Depending on the circumstances, examples of sustainability risks can include but are not limited to physical environmental risks, climate change transition risks, supply chain disruptions, improper labour practices, lack of board diversity and corruption. If they materialize, sustainability risks can reduce the value of the Sub-Fund and could have a material impact on the performance and returns of the Sub-Fund.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (“ESG Event”).

Using qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager uses its proprietary MBIS assessment framework (“MBIS”) in order to assess non-financial information including sustainability risk of a security and to identify whether it is vulnerable to such risk. MBIS evaluation score is qualitatively given to all equities in the Sub-Fund investment universe. The ESG Scoring Process as explained in the paragraph entitled “ESG Scoring Process” has been and will be carried out as an important part of MBIS assessment. When evaluating the ESG-related elements in MBIS, the ESG Scores are taken into account and integrated into the overall MBIS evaluation scores given to the equities.  
The Investment Manager conducts analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces through MBIS. The MBIS score will be taken into account by the relevant portfolio manager of the Sub-Fund in deciding whether to acquire a holding in an issuer.

- (ii) During the life of the investment, sustainability risk is monitored through review of MBIS to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased according to MBIS, the Investment Manager will engage with investee company management and/or relevant advisers on these matters and may, if the circumstances require it, consider selling or reducing the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is not material.

*EU Environmental Taxonomy Criteria*

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Further Information*

For further information on the Sub-Fund's ESG strategy, please refer to the SFDR annex in this Appendix.

**Investor Profile**

The Sub-Fund invests in equities on recognised exchanges in Japan and is suitable for high-net-worth individuals and institutional investors seeking capital growth over the long term with a high level of volatility. The Sub-Fund is aimed at investors with a long-term investment horizon (typically 5 years or more).

**In addition to the "General Risk Considerations" as described in the prospectus, it should be noted that this Sub-Fund will be taking positions in companies established or operating in, and/or whose securities trade in, Japan, which might notably involve the following additional risks:**

*Political Risks*

Investments made by the Sub-Fund may be materially adversely impacted by Japanese politics and changes in the political scenario in Japan. Actions of the Government could have a significant effect on the Japanese economy, which could affect private sector companies and market conditions, prices and yields of securities in the Sub-Fund's portfolio.

*Economic Risk*

The Sub-Fund may be highly linked to the performance of the Japanese economy. For instance, a slowdown in economic growth or macro-economic imbalances may adversely affect investments in the country.

*Concentration Risk*

While the assets of the Sub-Fund will always be invested in compliance with the diversification requirements provided by applicable law, the Sub-Fund will be invested in a concentrated portfolio of companies which could increase the risk of losses in adverse market conditions.

*Japanese Permanent Establishment Risk*

The Japanese tax advisor to the Fund has advised that, under Japanese tax law, an offshore investor may have a permanent establishment in Japan in a number of circumstances, including if it has: (i) a fixed place of business in Japan through which it conducts business; or (ii) an agent in Japan who has, and habitually exercises, authority to conclude contracts in Japan on behalf of the non-resident, or where the agent exclusively performs for the non-resident a significant part of the activities that lead to the conclusion of contracts. If an offshore investor has a permanent establishment in Japan, then it would be subject to Japanese tax at rates of approximately 41% to 42% for corporations (depending on the capital of the corporate entity) and at marginal rates ranging from 15% to 50% for individuals.

The permanent establishment determination is a facts and circumstances one. However, the Management Company and the Investment Manager intend to operate in a manner to avoid the Fund having a permanent establishment in Japan.

*Japanese Equity Risk*

Unitholders in the Sub-Fund must recognise that, due to the inherent characteristics of equity markets, the value of their investment can go down as well as up, and that they may not receive back the monies originally invested. The Sub-Fund intends to invest primarily in Japanese markets and, therefore, there is a risk to investors by reason that the Sub-Fund is exposed to one particular economy.

<b>Investment Manager</b>	Sumitomo Mitsui Trust Asset Management Co., Ltd.
<b>Currency of denomination of the Sub-Fund</b>	JPY
<b>Unit Class Currencies</b>	JPY; GBP; EUR; USD
<b>Hedged Unit Class Currencies<sup>3</sup></b>	GBP; EUR; USD
<b>Business Day</b>	Every day which is a bank and stock exchange full business day in Luxembourg, London and in Japan
<b>Valuation Day</b>	Every Business Day
<b>Application Deadline</b>	5:00pm CET on the Business Day preceding the relevant Valuation Day
<b>Time for the payment of the subscription price</b>	T+2 Business Days
<b>Time for the payment of the redemption proceeds</b>	T+2 Business Days under normal circumstances. Redemption proceeds in respect of Units will be paid on or within ten Business Days following the Application Deadline.
<b>Financial Year</b>	From 1 April to 31 March in each year
<b>Interim Financial Year</b>	From 1 April to 30 September in each year
<b>First Financial Year</b>	31 March 2025
<b>Overall Management Costs</b>	<p>The Overall Management Costs correspond to the fees that external services providers are entitled to receive out of the assets of the Sub-Fund. It includes the Management Fee, the Depositary and Administration Agent Fee and other similar fees.</p> <ul style="list-style-type: none"> <li>• The Management Company is entitled to a fee of 0.06 % of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of EUR 1,200 per month. Additionally, the Management Company is entitled to a Depositary oversight fee of EUR 13,000 per annum at Fund level and any other variable charges as provided for in the Management Company Agreement.</li> <li>• The Administration Agent is entitled to a fee of up to 0.05% of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of USD 3,200 per month, and any other variable charges as provided for in the Administration Agreement.</li> </ul> <p>Additionally, the Administration Agent is entitled to an annual fee of USD 10,000 at the level of the Fund by levying 1/12 of the fee on a monthly basis, and up to USD 1,500 per annum at the Sub-Fund level, plus any other variable charges for the provision of reporting services in relation to CRS and FATCA.</p> <ul style="list-style-type: none"> <li>• The Depositary is entitled to a fee of up to: <ul style="list-style-type: none"> <li>(a) For Hedged assets: 0.08 % of the Net Asset Value of the hedged assets per annum, subject to a minimum fee of USD 1,300 per month. Additionally, the Depositary is entitled to a minimum fee for Hedging services of USD 50,000 per annum charged at fund level, and any other variable charges as provided for in the Depositary Agreement;</li> <li>(b) For unhedged assets: 0.03% of the Net Asset Value of the unhedged assets per annum, subject to a minimum fee of USD 1,300 per month and any other variable charges as provided for in the Depositary Agreement.</li> </ul> </li> </ul>

<sup>3</sup> Fund class operating fees will be by agreement subsidised by the Global Distributor, when the class is not yet of suitable size to cover its own operational costs. This will not affect the normal charges paid by Investors as described above and on the following page.

	<p>Additionally, the Depositary is entitled to an oversight fee of 0.01% of the Net Asset Value of the Sub-Fund subject to a minimum fee of USD 750.</p> <ul style="list-style-type: none"> <li>The Global Distributor will in normal circumstances assume any expenses if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the Net Asset Value of the Sub-Fund exclusive of i) Investment Management Fee, ii) Distribution Fees, and iii) FX hedging fees.</li> </ul>
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Unit Classes	Class A (1)	Retail Class (2)	RDR Class (3)	Class C (4)
Categories	a	a	a	a
Collective Fees (investment management and distribution) (5)	0.70% of the Net Asset Value of the Sub-Fund per annum.	1.10% of the Net Asset Value of the Sub-Fund per annum.	0.60% of the Net Asset Value of the Sub-Fund per annum.	1.85% of the Net Asset Value of the Sub-Fund per annum.
Subscription Fee	0%	0%	0%	0%
Redemption Fee	0%	0%	0%	0%
Conversion Fee	0%	0%	0%	0%
<p>(1) The Class A is opened to all investors.  (2) The Retail Unit Class is intended for investors who are resident in countries which permit the payment of trailer fees and commissions. Any trailer fee and commission will be paid out of the annual fee of the Investment Manager.  (3) The Retail Distribution Review ("RDR") Unit Class is intended for investors who are resident in countries which prohibit the payment of trailer fees and commissions and/or to investors with a separate fee arrangement with their financial intermediary.  (4) The Class C is opened to all investors.  (5) calculated on a daily basis and payable quarterly in arrears.</p>				

With respect to the hedged classes listed below, the Investment Manager shall seek to hedge all or part of the currency risk against the currency of such Hedged Classes.

	Class A / Class C						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000
Minimum subsequent investment (1)	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000

(1) Currently, there is no Minimum Subsequent Subscription amount applicable to the Classes of Units, nor is there a Minimum Holding amount.

	Retail Class / RDR Class						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minimum subsequent investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This information sheet is issued as a supplement to the Prospectus dated 29 July 2024. The information contained within this information sheet should be read in conjunction with the full information contained in the Prospectus. In particular, investors should read the risk warnings set out in the Prospectus.

ANNEX II

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Japan Quality Growth Fund

**Legal entity identifier:** 5299002JGMN5MNRND946

**Environmental and/or social characteristics**

Does this financial product have a sustainable investment objective?	
●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%	<input type="checkbox"/> <b>It promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund promotes environmental and/or social characteristics by applying the Investment Manager's proprietary environmental, social and/or governance ("ESG") scoring process ("ESG Scoring Process"), which evaluates an issuer's ESG performance against the ESG criteria based on ESG materiality. The "ESG Materiality" is identified by the Investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security and Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement.

A specific index has not been designated as a reference benchmark to determine whether the Sub-Fund is specifically aligned with the environmental or social characteristics that it promotes.

• **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund's weighted average ESG Score relative to that of the Tokyo Stock Price Index ("TOPIX") Total Return Index. "ESG Score" means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks.

**ESG Scoring Process**

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring process, which involves scoring each issuer on its current level of performance and the quality of each issuer's policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under "ESG Materiality" below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

**ESG Materiality**

The ESG Scoring Process is informed by and based on the following ESG materiality:

Environment	Social	Governance
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement



The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer's historical and current performance in terms of the issuer's risk and opportunity management on the "Environmental" and "Social" materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager's analysts collect the relevant information based on the disclosures in the issuer's policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from

	<p>MSCI, “raw data”).</p> <p>In addition, the Investment Manager’s analysts seek information through direct engagement with company management.</p> <p>Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):</p> <ul style="list-style-type: none"> <li>(i) Issuing the provisional ESG score for the issuer based on the raw data.</li> <li>(ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.</li> <li>(iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).</li> <li>(iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.</li> <li>(v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts’ research of the issuer and engagement with the company management of the issuer.</li> </ul> <p>The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.</p>
	<ul style="list-style-type: none"> <li>● <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
	<p>Not applicable.</p>
	<p>How have the indicators for adverse impacts on sustainability factors been taken into account?</p>
	<p>Not applicable.</p>
	<p>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</p>
	<p>Not applicable.</p>

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



	<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
	<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p> <p><input checked="" type="checkbox"/> Yes, the Investment Manager uses all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement activities which are based on the ESG Materiality.</p> <p>The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security and Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.</p> <p>In addition, The Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality.</p> <p>Information on principal adverse impacts on sustainability factors can be found in the corresponding section of the Fund's annual report. The information concerning principal adverse impact at the Sub-Fund level will also be available in the Sub-Fund's annual reports.</p>
	<p><input type="checkbox"/> No</p> <p><b>What investment strategy does this financial product follow?</b></p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The “ESG Scoring Threshold” means the average ESG Score, weighted with market capitalization, of the TOPIX components.</p> <ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.</p> <p>All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded.</p> <p>The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the</p>


The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

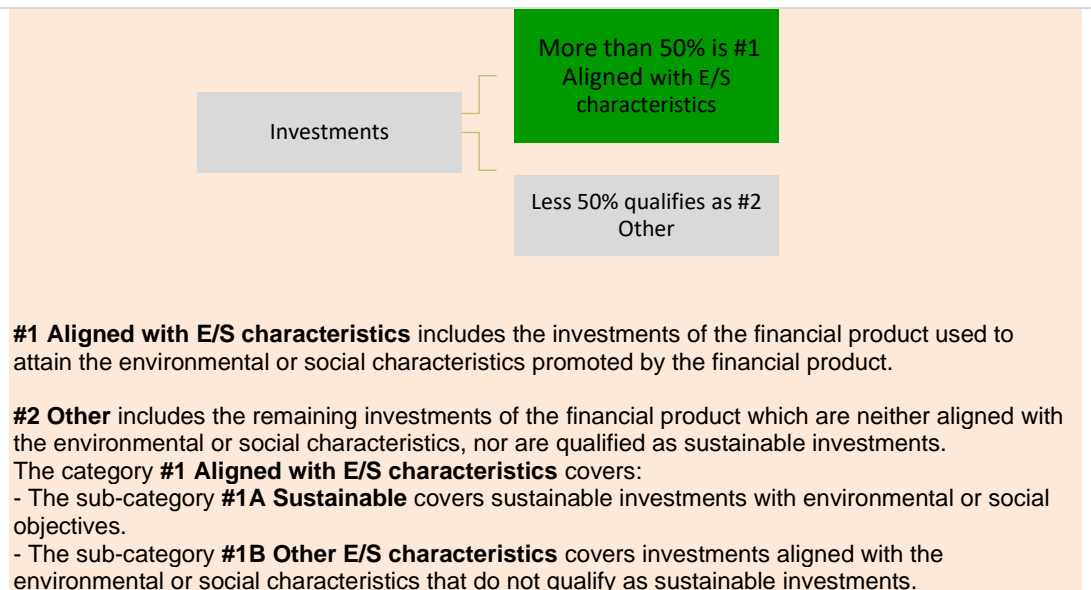
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:


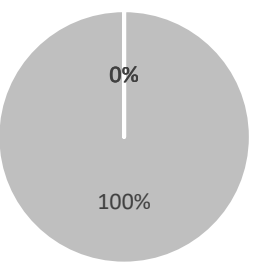
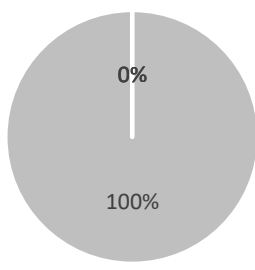
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company.
	<ul style="list-style-type: none"> <li>• <b>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>• <b>What is the policy to assess good governance practices of the investee companies?</b></li> </ul>
	The Investment Manager assesses issuers' adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance in the process of the ESG Scoring Process.
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying the ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As a result, at least 50% of the weight of the portfolio includes the companies/issuers whose ESG score is higher than that of TOPIX.</p> <p>Investments included in #2 Other will be less than 50% of the weight of the portfolio and will include cash and cash equivalents such as certificates of deposit, treasury bills and notes in the appropriate circumstances, currency forwards for hedging purposes and investments for which there is a lack of data to ascertain their alignment with the environmental and/or social characteristics promoted by the Sub-Fund. Minimum safeguards include all the potential investments of the Sub-Fund being subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying the ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation. Constantly, and in particular in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.</p> <p>Due to the nature of cash and cash equivalents such as certificates of deposit, treasury bills and notes and currency forwards there are no existing environmental and/or social safeguards relating to these assets.</p>







To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.


	<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>	
	The Sub-Fund is authorised to use derivatives for hedging or efficient portfolio management purposes only.	
	<b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b>	
	<p>While the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the Fund's portfolio alignment with the Taxonomy Regulation is not calculated. As such, the Sub-Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation.</p>	
	<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>?</b></li> </ul>	
	<input type="checkbox"/> Yes:	
	<input type="checkbox"/> In fossil gas	<input type="checkbox"/> In nuclear energy
	<input checked="" type="checkbox"/> No	
<p><b>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</b></p>		
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 10px; width: 45%;"> <p style="text-align: center;">1. Taxonomy-alignment of investments including sovereign bonds*</p> <ul style="list-style-type: none"> <li>■ Taxonomy-aligned: Fossil gas</li> <li>■ Taxonomy-aligned: Nuclear</li> <li>■ Taxonomy-aligned (no fossil gas &amp; nuclear)</li> <li>■ Non Taxonomy-aligned</li> </ul>  </div> <div style="border: 1px solid #ccc; padding: 10px; width: 45%;"> <p style="text-align: center;">2. Taxonomy-alignment of investments excluding sovereign bonds*</p> <ul style="list-style-type: none"> <li>■ Taxonomy-aligned: Fossil gas</li> <li>■ Taxonomy-aligned: Nuclear</li> <li>■ Taxonomy-aligned (no fossil gas &amp; nuclear)</li> <li>■ Non Taxonomy-aligned</li> </ul>  <p style="text-align: center; font-size: small;">This graph represents 100% of the total investments.</p> </div> </div>		
<p>* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.</p>		

<sup>4</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p> <p>0%</p> <p>In assessing whether an investment is considered to be in environmentally sustainable economic activities, the Investment Manager must be satisfied that the relevant economic activity (i) contributes substantially to the environmental objective of climate change mitigation or climate change adaptation, (ii) does not significantly harm any of the environmental objectives outlined in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation"); (iii) is carried out in compliance with the minimum safeguards laid down in the Taxonomy Regulation and (iv) complies, as of the date of this Supplement, with the technical screening criteria relating to climate change mitigation and climate change adaptation (as applicable) set down in Commission Delegated Regulation 2021/2139 (EU).</p> <p>The Investment Manager cannot currently satisfy itself that the investments within the portfolio meet the aforementioned criteria.</p>
	<p><b>What is the minimum share of socially sustainable investments?</b></p> <p>Not applicable - The Sub-Fund does not have any sustainable investment objective.</p>
	<p><b>What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?</b></p> <p>Investments included in #2 Other include cash and cash equivalents such as certificates of deposit, treasury bills and notes in the appropriate circumstances, currency forwards for hedging purposes and investments for which there is a lack of data to ascertain their alignment with the environmental and/or social characteristics promoted by the Sub-Fund.</p> <p>Minimum safeguards include all the potential investments of the Sub-Fund being subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying the ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation.</p> <p>Constantly, and in particular in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.</p> <p>Due to the nature of cash and cash equivalents such as certificates of deposit, treasury bills and notes and currency forwards there are no existing environmental and/or social safeguards relating to these assets.</p>
	<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p> <p>No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.</p>
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	<ul style="list-style-type: none"> <li>● <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
	Not applicable.
	<b>Where can I find more product specific information online?</b>
	<p>More product-specific information can be found on the website:</p> <p><a href="https://eu.sumitrust-am.com/funds">https://eu.sumitrust-am.com/funds</a></p>

## Appendix III – Japan Small Cap Fund

### Investment Objective and Investment Policy

**Japan Small Cap Fund's** investment objective is to provide investors with long term capital appreciation through investment in equity securities of small capitalisation companies listed on the recognised exchanges in Japan. The Sub-Fund may gain exposure to equities through investing directly in long only equities. The Sub-Fund's investments will not be restricted to any industry or sector.

The investment objective will be achieved by investing primarily in a portfolio of equities or equity related securities of small capitalisation companies listed or traded on recognised exchanges in Japan. The Sub-Fund may gain exposure to equities through investing directly in long only equities. The Sub-Fund's investments will not be restricted to any industry or sector.

The Sub-Fund promotes environmental and/or social characteristics (as provided for under Article 8 SFDR) by applying environmental, social and/or governance (or ESG) criteria to the portfolio, the ESG performance of portfolio being reviewed on a quarterly basis. Please refer to the section entitled "Environmental and/or social characteristics promoted by the Sub-Fund" of this Appendix for additional details on the Sub-Fund's ESG-related investment strategy.

The equity securities in which the Sub-Fund may invest may also be new issues of equity securities offered by way of initial public offerings. The equity and / or equity related securities in which the Sub-Fund shall invest may include common stock, preferred stock and securities convertible into or exchangeable for such equity securities, such as convertible bonds.

The Investment Manager considers small capitalisation companies to be those that have a market capitalisation of less than JPY 300 billion at the time of purchase. When making investments, the Investment Manager uses a fundamental approach to stock-picking and attempts to identify investments that are overlooked by mainstream investors of the market.

The Sub-Fund will not invest more than 10% of its Net Asset Value in any one collective investment scheme.

The Sub-Fund is actively managed and the investment objective and policy of the Sub-Fund is not to track or benchmark its performance against any index. The Russell/Nomura Small Cap Index (the "**Reference Index**") is used as a reference for performance measurement and as part of the Investment Manager's ESG scoring process only, in particular outperformance and marketing purposes, and not used to determine the composition of the Sub-Fund and as a result, the use of the Reference Index shall not fall within the scope of the Benchmark Regulation. For the avoidance of doubt, the Reference Index itself has not been designated as the benchmark which is aligned with each of the environmental or social characteristics of the Sub-Fund.

As outperforming the Reference Index is not part of the Sub-Fund's investment objective, the degree to which the Sub-Fund's holdings and weightings are similar to the Reference Index are coincidental. The Sub-Fund may invest directly into the constituents of the Reference Index, however the Sub-Fund's investment strategy has no restrictions regarding the extent to which the Sub-Fund's holdings may deviate from the Reference Index.

The Sub-Fund's investments are subject to the investment restrictions as set out in section "Investment Powers and Limitations" of the Prospectus. No assurance can be given that the Sub-Fund's investment objective will be achieved.

The Investment Manager may use one or more derivatives, including swaps, futures, forwards, options, and other contingent liability investments whether executed on a recognised exchange or market or traded over-the-counter ("**OTC**"). The forwards instruments will be used for hedging purposes only.

The overall risk exposure of the Japan Small Cap Fund resulting from the use of financial derivative instruments is calculated according to the commitment approach.

In addition, the assets of the Sub-Fund may include adequate cash and cash equivalents, which under normal circumstances can be increased up to 10% of the assets of the Sub-Fund. Cash and cash equivalent assets include but are not limited to certificates of deposit, treasury bills and notes, currency forwards, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.

#### Engagement with Management of Investee companies

The Investment Manager, as a responsible asset manager, recognises the importance of active engagement with the investee companies. The Investment Manager will regularly engage with the management of the investee company management with the aim to improve the medium to-long term value and the overall market value of the company and generate excess returns for the Sub-Fund. The engagement is conducted considering the issues (including ESG-related issues) for each company that may affect the company's medium-to-long term growth as specified by the Investment Manager.

#### **Environmental and/or social characteristics promoted by the Sub-Fund**

##### *Introduction*

The Sub-Fund promotes environmental and/or social characteristics but does not have as its objective a sustainable investment. The Sub-fund does not invest in sustainable investments as defined under Article 2(17) of SFDR.

##### *Sustainability Indicator*

The sustainability indicator used to measure the attainment of the environmental and social characteristics promoted by the Sub-Fund is the Sub-Fund's weighted average ESG Score relative to that of the Russell/Nomura Small Cap Index. In this Appendix, "ESG Score" means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, where the "ESG Scoring Process" means the scoring process of the Investment Manager whereby the Investment Manager issues a score to each issuer of stocks.

##### *Investment Strategy*

The Sub-fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria described in the paragraph entitled "ESG Scoring Process" below, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. In this Appendix, the "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the Russel Nomura Small Cap components. The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.

The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting for removal of board members of the investee companies, voting against the investee company led resolutions, communicating with the competent authority regulating the business of the investee company or initiating the statement of Climate Action 100+, in addition to the frequent communication with the investee company.

##### *ESG Scoring Process*

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring Process, which involves scoring each issuer on its current level of performance and the quality of each issuer's policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under "ESG Materiality" below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

##### ESG Materiality

The ESG Scoring Process is informed by and based on the following ESG materiality:

<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct

Environmental Opportunities	Social Opportunities	Governance Improvement
<p>The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.</p>		
<p>The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).</p>		
<p>In addition, the Investment Manager’s analysts seek information through direct engagement with company management.</p>		
<p>Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):</p>		
<ul style="list-style-type: none"> <li>(i) Issuing the provisional ESG score for the issuer based on the raw data.</li> <li>(ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.</li> <li>(iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).</li> <li>(iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.</li> <li>(v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts’ research of the issuer and engagement with the company management of the issuer.</li> </ul>		
<p>The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.</p>		
<p><i>Management of Sustainability Risk</i></p> <p>The management of sustainability risk forms a part of the due diligence process implemented by the Investment Manager. The universe of sustainability events or conditions is very broad, and their relevance, materiality and impact on investments will depend on a number of factors such as asset location and/or sector. Depending on the circumstances, examples of sustainability risks can include but are not limited to physical environmental risks, climate change transition risks, supply chain disruptions, improper labour practices, lack of board diversity and corruption. If they materialize, sustainability risks can reduce the value of the Sub-Fund and could have a material impact on the performance and returns of the Sub-Fund.</p>		
<p>When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (“ESG Event”).</p>		
<p>Using qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:</p>		
<ul style="list-style-type: none"> <li>(i) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager uses its proprietary MBIS assessment framework (“MBIS”) in order to assess non-financial information including sustainability risk of a security and to identify whether it is vulnerable to such risk. MBIS evaluation score is qualitatively given to all equities in the Sub-Fund investment universe. The ESG Scoring Process as explained in the paragraph entitled “ESG Scoring Process” has been and will be carried out as an important part of MBIS assessment. When evaluating the ESG-related elements in MBIS, the ESG</li> </ul>		



Scores are taken into account and integrated into the overall MBIS evaluation scores given to the equities.

The Investment Manager conducts analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces through MBIS. The MBIS score will be taken into account by the relevant portfolio manager of the Sub-Fund in deciding whether to acquire a holding in an issuer.

- (ii) During the life of the investment, sustainability risk is monitored through review of MBIS to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased according to MBIS, the Investment Manager will engage with investee company management and/or relevant advisers on these matters and may, if the circumstances require it, consider selling or reducing the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is not material.

#### *EU Environmental Taxonomy Criteria*

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Further Information*

For further information on the Sub-Fund's ESG strategy, please refer to the SFDR annex in this Appendix.

#### **Investor Profile**

The Sub-Fund invests in equities on recognised exchanges in Japan and is suitable for high-net-worth individuals and institutional investors seeking capital growth over the long term with a high level of volatility. The Sub-Fund is aimed at investors with a long-term investment horizon (typically 5 years or more).

**In addition to the "General Risk Considerations" as described in the prospectus, it should be noted that this Sub-Fund will be taking positions in companies established or operating in, and/or whose securities trade in, Japan, which might notably involve the following additional risks:**

#### *Political Risks*

Investments made by the Sub-Fund may be materially adversely impacted by Japanese politics and changes in the political scenario in Japan. Actions of the Government could have a significant effect on the Japanese economy, which could affect private sector companies and market conditions, prices and yields of securities in the Sub-Fund's portfolio.

#### *Economic Risk*

The Sub-Fund may be highly linked to the performance of the Japanese economy. For instance, a slowdown in economic growth or macro-economic imbalances may adversely affect investments in the country.

#### *Concentration Risk*

While the assets of the Sub-Fund will always be invested in compliance with the diversification requirements provided by applicable law, the Sub-Fund will be invested in a concentrated portfolio of companies which could increase the risk of losses in adverse market conditions.

#### *Japanese Permanent Establishment Risk*

The Japanese tax advisor to the Fund has advised that, under Japanese tax law, an offshore investor may have a permanent establishment in Japan in a number of circumstances, including if it has: (i) a fixed place of business in Japan through which it conducts business; or (ii) an agent in Japan who has, and habitually exercises, authority to conclude contracts in Japan on behalf of the non-resident, or where the agent exclusively performs for the non-resident a significant part of the activities that lead to the conclusion of contracts. If an offshore investor has a permanent establishment in Japan, then it would be subject to Japanese tax at rates of approximately 41% to 42% for corporations (depending on the capital of the corporate entity) and at marginal rates ranging from 15% to 50% for individuals.

The permanent establishment determination is a facts and circumstances one. However, the Management Company and the Investment Manager intend to operate in a manner to avoid the Fund having a permanent establishment in Japan.

*Japanese Equity and Small-Cap Company Risk*

Unitholders in the Sub-Fund must recognise that, due to the inherent characteristics of equity markets, the value of their investment can go down as well as up, and that they may not receive back the monies originally invested. The Sub-Fund intends to invest primarily in Japanese markets and, therefore, there is a risk to investors by reason that the Sub-Fund is exposed to one particular economy. In addition, investments in securities issued by small capitalisation companies in Japan may involve greater risk than investments in large-capitalisation companies. The value of securities issued by Japanese small-cap companies may go up or down, sometimes rapidly and unpredictably, due to narrower markets and more limited managerial and financial resources than large-cap companies. Accordingly, the Sub-Fund's investments in Japanese small cap companies may increase the volatility of its portfolio.

<b>Investment Manager</b>	Sumitomo Mitsui Trust Asset Management Co., Ltd.
<b>Currency of denomination of the Sub-Fund</b>	JPY
<b>Unit Class Currencies</b>	JPY; GBP; EUR; USD
<b>Hedged Unit Class Currencies<sup>5</sup></b>	GBP; EUR; USD
<b>Business Day</b>	Every day which is a bank and stock exchange full business day in Luxembourg, London and in Japan
<b>Valuation Day</b>	Every Business Day
<b>Application Deadline</b>	5:00pm CET on the Business Day preceding the relevant Valuation Day
<b>Time for the payment of the subscription price</b>	T+2 Business Days
<b>Time for the payment of the redemption proceeds</b>	T+2 Business Days under normal circumstances. Redemption proceeds in respect of Units will be paid on or within ten Business Days following the Application Deadline.
<b>Financial Year</b>	From 1 April to 31 March in each year
<b>Interim Financial Year</b>	From 1 April to 30 September in each year
<b>First Financial Year</b>	31 March 2025
<b>Overall Management Costs</b>	<p>The Overall Management Costs correspond to the fees that external services providers are entitled to receive out of the assets of the Sub-Fund. It includes the Management Fee, the Depositary and Administration Agent Fee and other similar fees.</p> <ul style="list-style-type: none"> <li>• The Management Company is entitled to a fee of 0.06 % of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of EUR 1,200 per month. Additionally, the Management Company is entitled to a Depositary oversight fee of EUR 13,000 per annum at Fund level and any other variable charges as provided for in the Management Company Agreement.</li> <li>• The Administration Agent is entitled to a fee of up to 0.05% of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of USD 3,200 per month, and any other variable charges as provided for in the Administration Agreement. Additionally, the Administration Agent is entitled to an annual fee of USD 10,000 at the level of the Fund by levying 1/12 of the fee on a monthly basis, and up to USD 1,500 per annum at the Sub-Fund level, plus any other variable charges for the provision of reporting services in relation to CRS and FATCA.</li> <li>• The Depositary is entitled to a fee of up to: <ul style="list-style-type: none"> <li>(a) For Hedged assets: 0.08 % of the Net Asset Value of the hedged assets per annum, subject to a minimum fee of USD 1,300 per month. Additionally, the Depositary is entitled to a minimum fee for Hedging services of USD 50,000 per annum charged at fund level, and any other variable charges as provided for in the Depositary Agreement;</li> <li>(b) For unhedged assets: 0.03% of the Net Asset Value of the unhedged assets per annum, subject to a minimum fee of USD 1,300 per month and any other variable charges as provided for in the Depositary Agreement.</li> </ul> </li> </ul>

<sup>5</sup> Fund class operating fees will be by agreement subsidised by the Global Distributor, when the class is not yet of suitable size to cover its own operational costs. This will not affect the normal charges paid by Investors as described above and on the following page.

	<p>Additionally, the Depository is entitled to an oversight fee of 0.01% of the Net Asset Value of the Sub-Fund subject to a minimum fee of USD 750.</p> <ul style="list-style-type: none"> <li>The Global Distributor will in normal circumstances assume any expenses if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the Net Asset Value of the Sub-Fund exclusive of i) Investment Management Fee, ii) Distribution Fees, and iii) FX hedging fees.</li> </ul>
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Unit Classes	Class A (1)	Class B (2)	Retail Class (3)	RDR Class (4)	Class C (5)
Categories	a	a	a	a	a
Collective Fees (investment management and distribution) (6)	0.85% of the Net Asset Value of the Sub-Fund per annum.	0.70% of the Net Asset Value of the Sub-Fund per annum.	1.60% of the Net Asset Value of the Sub-Fund per annum.	0.85% of the Net Asset Value of the Sub-Fund per annum.	2.00% of the Net Asset Value of the Sub-Fund per annum.
Subscription Fee	0%	0%	0%	0%	0%
Redemption Fee	0%	0%	0%	0%	0%
Conversion Fee	0%	0%	0%	0%	0%

- (1) The Class A is opened to all investors.  
(2) The Class B is momentarily currently in 'hard close' and not open to any investors.  
(3) The Retail Unit Class is intended for investors who are resident in countries which permit the payment of trailer fees and commissions. Any trailer fee and commission will be paid out of the annual fee of the Investment Manager.  
(4) The Retail Distribution Review ("RDR") Unit Class is intended for investors who are resident in countries which prohibit the payment of trailer fees and commissions and/or to investors with a separate fee arrangement with their financial intermediary.  
(5) The Class C is opened to all investors.  
(6) calculated on a daily basis and payable quarterly in arrears.

With respect to the hedged classes listed below, the Investment Manager shall seek to hedge all or part of the currency risk against the currency of such Hedged Classes.

	Class A / Class B/ Class C						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000
Minimum subsequent investment (1)	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000

(1) Currently, there is no Minimum Subsequent Subscription amount applicable to the Classes of Units, nor is there a Minimum Holding amount.

	Retail Class / RDR Class						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minimum subsequent investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This information sheet is issued as a supplement to the Prospectus dated 29 July 2024. The information contained within this information sheet should be read in conjunction with the full information contained in the Prospectus. In particular, investors should read the risk warnings set out in the Prospectus.

ANNEX II

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Japan Small Cap Fund

**Legal entity identifier:** 5299005H9JO5EJJPIY03

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund promotes environmental and/or social characteristics by applying the Investment Manager’s proprietary environmental, social and/or governance (“ESG”) scoring process (“ESG Scoring Process”), which evaluates an issuer’s ESG performance against the ESG criteria based on the ESG Materiality. The “ESG Materiality” is identified by the Investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security and Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement. A specific index has not been designated as a reference benchmark to determine whether the Sub-Fund is specifically aligned with the environmental or social characteristics that it promotes.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund’s weighted average ESG Score relative to that of the Russel Nomura Small Cap Index (“Russel Nomura Small Cap”). “ESG Score” means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks.

**ESG Scoring Process**

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring process, which involves scoring each issuer on its current level of performance and the quality of each issuer’s policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under “ESG Materiality” below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

**ESG Materiality**

The ESG Scoring Process is informed by and based on the following ESG materiality:

Environment	Social	Governance
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

	<p>In addition, the Investment Manager’s analysts seek information through direct engagement with company management.</p> <p>Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):</p> <ul style="list-style-type: none"> <li>(i) Issuing the provisional ESG score for the issuer based on the raw data.</li> <li>(ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.</li> <li>(iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).</li> <li>(iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.</li> <li>(v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts’ research of the issuer and engagement with the company management of the issuer.</li> </ul> <p>The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.</p>
	<ul style="list-style-type: none"> <li>● <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
	Not applicable.
	<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
	Not applicable.
	<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i>
	Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p>	

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, the Investment Manager uses all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement activities which are based on the ESG Materiality.

The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security and Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.

In addition, The Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality. Information on principal adverse impacts on sustainability factors can be found in the corresponding section of the Fund's annual report.

The information concerning principal adverse impact at the Sub-Fund level will also be available in the Sub-Fund's annual reports.

No

**What investment strategy does this financial product follow?**

The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The “ESG Scoring Threshold” means the average ESG Score, weighted with market capitalization, of the Russel Nomura Small Cap components.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.

All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded.

The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

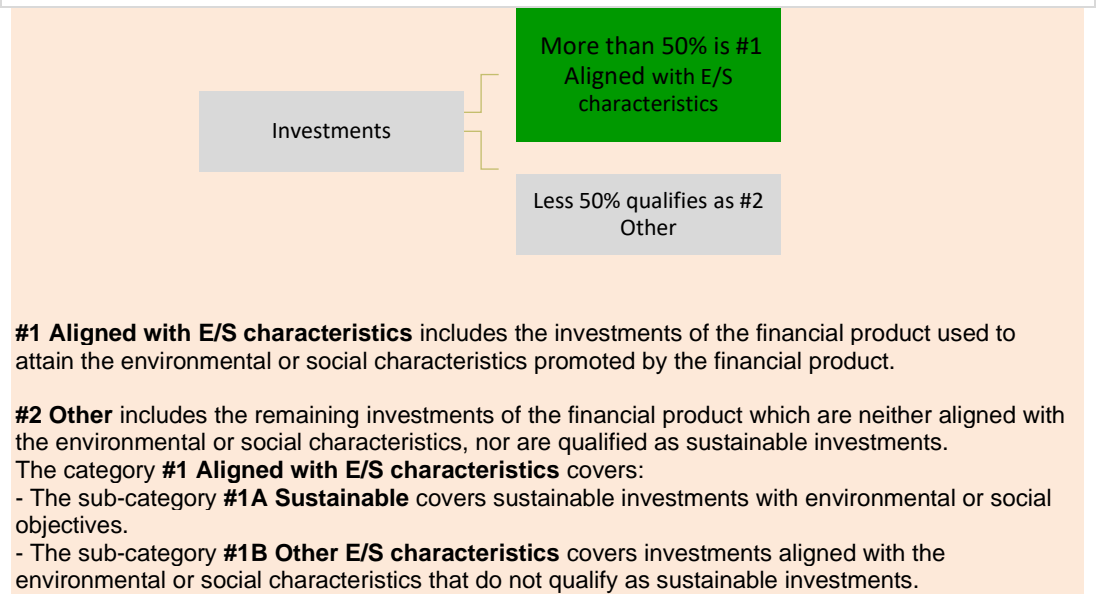
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	<ul style="list-style-type: none"> <li>• <b>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>• <b>What is the policy to assess good governance practices of the investee companies?</b></li> </ul>
	The Investment Manager assesses issuers' adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance in the process of the ESG Scoring Process.



	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying the ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As a result, at least 50% of the weight of the portfolio includes the companies/issuers whose ESG score is higher than that of Russel Nomura Small Cap. Investments included in #2 Other will be less than 50% of the weight of the portfolio and will include cash and cash equivalents such as certificates of deposit, treasury bills and notes in the appropriate circumstances, currency forwards for hedging purposes and investments for which there is a lack of data to ascertain their alignment with the environmental and/or social characteristics promoted by the Sub-Fund. Minimum safeguards include all the potential investments of the Sub-Fund being subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying the ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation. Constantly, and in particular in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary. Due to the nature of cash and cash equivalents such as certificates of deposit, treasury bills and notes and currency forwards there are no existing environmental and/or social safeguards relating to these assets.</p>
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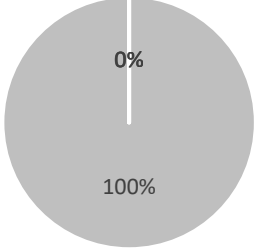
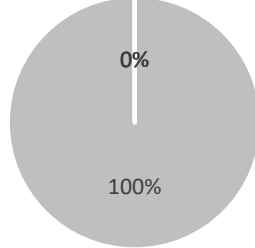



	<ul style="list-style-type: none"> <li>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	The Sub-Fund is authorised to use derivatives for hedging or efficient portfolio management purposes only.





To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
	<p>While the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the Fund's portfolio alignment with the Taxonomy Regulation is not calculated. As such, the Sub-Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation.</p>
	<ul style="list-style-type: none"> <li>• <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>6</sup>?</b></li> </ul>
	<p><input type="checkbox"/> Yes:</p>
	<p><input type="checkbox"/> In fossil gas</p>
	<p><input type="checkbox"/> In nuclear energy</p>
	<p><input checked="" type="checkbox"/> No</p>
<p><b>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="363 981 865 1370"> <p>1. Taxonomy-alignment of investments including sovereign bonds*</p> <ul style="list-style-type: none"> <li>■ Taxonomy-aligned: Fossil gas</li> <li>■ Taxonomy-aligned: Nuclear</li> <li>■ Taxonomy-aligned (no fossil gas &amp; nuclear)</li> <li>■ Non Taxonomy-aligned</li> </ul>  </div> <div data-bbox="887 981 1388 1370"> <p>2. Taxonomy-alignment of investments excluding sovereign bonds*</p> <ul style="list-style-type: none"> <li>■ Taxonomy-aligned: Fossil gas</li> <li>■ Taxonomy-aligned: Nuclear</li> <li>■ Taxonomy-aligned (no fossil gas &amp; nuclear)</li> <li>■ Non Taxonomy-aligned</li> </ul>  <p>This graph represents 100% of the total investments.</p> </div> </div> <p>* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.</p>	
	<ul style="list-style-type: none"> <li>• <b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	<p>Not applicable.</p>
	<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p>
	<p>0% In assessing whether an investment is considered to be in environmentally sustainable economic activities, the Investment Manager must be satisfied that the relevant economic activity (i) contributes substantially to the environmental objective of climate change mitigation or climate change adaptation, (ii) does not significantly harm any of the environmental objectives outlined in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the</p>

<sup>6</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

	<p>“Taxonomy Regulation”); (iii) is carried out in compliance with the minimum safeguards laid down in the Taxonomy Regulation and (iv) complies, as of the date of this Supplement, with the technical screening criteria relating to climate change mitigation and climate change adaptation (as applicable) set down in Commission Delegated Regulation 2021/2139 (EU). The Investment Manager cannot currently satisfy itself that the investments within the portfolio meet the aforementioned criteria.</p>
	<p><b>What is the minimum share of socially sustainable investments?</b></p>
	<p>Not applicable - The Sub-Fund does not have any sustainable investment objective.</p> <p><b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b></p> <p>Investments included in #2 Other include cash and cash equivalents such as certificates of deposit, treasury bills and notes in the appropriate circumstances, currency forwards for hedging purposes and investments for which there is a lack of data to ascertain their alignment with the environmental and/or social characteristics promoted by the Sub-Fund.</p> <p>Minimum safeguards include all the potential investments of the Sub-Fund being subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying the ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation.</p> <p>Constantly, and in particular in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund’s exposure to certain investee companies, as the Investment Manager believes necessary.</p> <p>Due to the nature of cash and cash equivalents such as certificates of deposit, treasury bills and notes and currency forwards there are no existing environmental and/or social safeguards relating to these assets.</p>
	<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p> <p>No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.</p>
<p>Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.</p>	<ul style="list-style-type: none"> <li>• <b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li>• <b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li>• <b>How does the designated index differ from a relevant broad market index?</b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li>• <b>Where can the methodology used for the calculation of the designated index be found?</b></li> </ul>
	<p><b>Where can I find more product specific information online?</b></p> <p>More product-specific information can be found on the website:</p>

<https://eu.sumitrust-am.com/funds>

## Appendix IV – Japan Small Cap II Fund

### Investment Objective and Investment Policy

**Japan Small Cap II Fund's** investment objective is to provide investors with long term capital appreciation through investment in equity securities of small capitalisation companies listed on the recognised exchanges in Japan.

The investment objective will be achieved by investing primarily in a portfolio of equities or equity related securities of small capitalisation companies listed or traded on recognised exchanges in Japan. The Sub-Fund may gain exposure to equities through investing directly in long only equities. The Sub-Fund's investments will not be restricted to any industry or sector.

The Sub-Fund promotes environmental and/or social characteristics (as provided for under Article 8 SFDR) by applying environmental, social and/or governance (or ESG) criteria to the portfolio, the ESG performance of portfolio being reviewed on a quarterly basis. Please refer to the section entitled "Environmental and/or social characteristics promoted by the Sub-Fund" of this Appendix for additional details on the Sub-Fund's ESG-related investment strategy.

The equity securities in which the Sub-Fund may invest may also be new issues of equity securities offered by way of initial public offerings. The equity and / or equity related securities in which the Sub-Fund shall invest may include common stock, preferred stock.

The Investment Manager considers small capitalisation companies to be those that have a market capitalisation of less than JPY 300 billion at the time of purchase with a focus on more liquid and/or larger companies compared to those that might be included in the Japan Small Cap Fund (which is another similar sub-fund in the Fund to which the Investment Manager has been appointed). When making investments, the Investment Manager screens stocks through two processes: a mid-long term growth potential screening and a short-mid term price increase potential. Initially the Investment Manager will perform a qualitative assessment of companies for the mid-long term potential screening. Thereafter the Investment Manager will also conduct an earnings forecast to gauge short-mid term investment opportunities by analysing the gap between the target price and the current stock price.

The equity securities in which the Sub-Fund may invest may also be new issues of equity securities offered by way of initial public offerings. The equity and / or equity related securities in which the Sub-Fund shall invest may include common stock, preferred stock, government bonds and securities convertible into or exchangeable for such equity securities, such as convertible bonds. These convertible bonds may be corporate bonds, fixed and/or floating rate bonds and across all investment ratings.

The Sub-Fund will not invest more than 10% of its Net Asset Value in any one collective investment scheme.

The Sub-Fund is actively managed, and the investment objective and policy of the Sub-Fund is not to track or benchmark its performance against any index. The Russell/Nomura Small Cap Index (the "**Reference Index**") is used as a reference for performance measurement and as part of the Investment Manager's ESG scoring process only, in particular outperformance and marketing purposes, and not used to determine the composition of the Sub-Fund and as a result, the use of the Reference Index shall not fall within the scope of the Benchmark Regulation. For the avoidance of doubt, the Reference Index itself has not been designated as the benchmark which is aligned with each of the environmental or social characteristics of the Sub-Fund.

As outperforming the Reference Index is not part of the Sub-Fund's investment objective, the degree to which the Sub-Fund's holdings and weightings are similar to the Reference Index are coincidental. The Sub-Fund may invest directly into the constituents of the Reference Index; however, the Sub-Fund's investment strategy has no restrictions regarding the extent to which the Sub-Fund's holdings may deviate from the Reference Index.

The Sub-Fund's investments are subject to the investment restrictions as set out in section "Investment Powers and Limitations" of the Prospectus. No assurance can be given that the Sub-Fund's investment objective will be achieved.

The Investment Manager may use one or more derivatives, including swaps, futures, forwards, options, and other contingent liability investments whether executed on a recognised exchange or market or traded over-the-counter ("**OTC**"). The forwards instruments will be used for hedging purposes only.

The overall risk exposure of the Japan Small Cap II Fund resulting from the use of financial derivative instruments is calculated according to the commitment approach.

In addition, the assets of the Sub-Fund may include adequate cash and cash equivalents, which under normal circumstances can be increased up to 10% of the assets of the Sub-Fund. Cash and cash equivalent assets include but are not limited to certificates of deposit, treasury bills and notes, currency forwards, bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.

#### Engagement with Management of Investee companies

The Investment Manager, as a responsible asset manager, recognises the importance of active engagement with the investee companies. The Investment Manager will regularly engage with the management of the investee company management with the aim to improve the medium to-long term value and the overall market value of the company and generate excess returns for the Sub-Fund. The engagement is conducted considering the issues (including ESG-related issues) for each company that may affect the company's medium-to-long term growth as specified by the Investment Manager.

### **Environmental and/or social characteristics promoted by the Sub-Fund**

#### *Introduction*

The Sub-Fund promotes environmental and/or social characteristics but does not have as its objective a sustainable investment. The Sub-fund does not invest in sustainable investments as defined under Article 2(17) of SFDR.

#### *Sustainability Indicator*

The sustainability indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund's weighted average ESG Score relative to that of the Russell/Nomura Small Cap Index. In this Appendix, "ESG Score" means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, where the "ESG Scoring Process" means the scoring process of the Investment Manager whereby the Investment Manager issues a score to each issuer of stocks.

#### *Investment Strategy*

The Sub-fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria described in the paragraph entitled "ESG Scoring Process" below, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. In this Appendix, the "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the Russel Nomura Small Cap components. The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.

The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting for removal of board members of the investee companies, voting against the investee company led resolutions, communicating with the competent authority regulating the business of the investee company or initiating the statement of Climate Action 100+, in addition to the frequent communication with the investee company.

#### *ESG Scoring Process*

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring Process, which involves scoring each issuer on its current level of performance and the quality of each issuer's policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under "ESG Materiality" below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

#### ESG Materiality

The ESG Scoring Process is informed by and based on the following ESG materiality:

<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

In addition, the Investment Manager’s analysts seek information through direct engagement with company management.

Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):

- (i) Issuing the provisional ESG score for the issuer based on the raw data.
- (ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.
- (iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).
- (iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.
- (v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts’ research of the issuer and engagement with the company management of the issuer.

The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.

**Management of Sustainability Risk**

The management of sustainability risk forms a part of the due diligence process implemented by the Investment Manager. The universe of sustainability events or conditions is very broad, and their relevance, materiality and impact on investments will depend on a number of factors such as asset location and/or sector. Depending on the circumstances, examples of sustainability risks can include but are not limited to physical environmental risks, climate change transition risks, supply chain disruptions, improper labour practices, lack of board diversity and corruption. If they materialize, sustainability risks can reduce the value of the Sub-Fund and could have a material impact on the performance and returns of the Sub-Fund.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (“ESG Event”).

Using qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager uses its proprietary MBIS assessment framework (“MBIS”) in order to assess non-financial information including sustainability risk of a security and to identify whether it is vulnerable to such risk. MBIS evaluation score is qualitatively given to all equities in the Sub-Fund investment universe. The ESG Scoring Process as explained in the paragraph entitled “ESG Scoring Process” has been and will be carried out as an important part of MBIS assessment. When evaluating the ESG-related elements in MBIS, the ESG Scores are taken into account and integrated into the overall MBIS evaluation scores given to the equities.
- The Investment Manager conducts analysis on each potential investment in order to assess the adequacy of ESG programmes and practices of an issuer to manage the sustainability risk it faces through MBIS. The MBIS score will be taken into account by the relevant portfolio manager of the Sub-Fund in deciding whether to acquire a holding in an issuer.
- (ii) During the life of the investment, sustainability risk is monitored through review of MBIS to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased according to MBIS, the Investment Manager will engage with investee company management and/or relevant advisers on these matters and may, if the circumstances require it, consider selling or reducing the Sub-Fund’s exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

The Investment Manager has determined that the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is not material.

#### *EU Environmental Taxonomy Criteria*

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Further Information*

For further information on the Sub-Fund’s ESG strategy, please refer to the SFDR annex in this Appendix.

#### **Investor Profile**

The Sub-Fund invests in equities on recognised exchanges in Japan and is suitable for high-net-worth individuals and institutional investors seeking capital growth over the long term with a high level of volatility. The Sub-Fund is aimed at investors with a long-term investment horizon (typically 5 years or more).

**In addition to the “General Risk Considerations” as described in the prospectus, it should be noted that this Sub-Fund will be taking positions in companies established or operating in, and/or whose securities trade in, Japan, which might notably involve the following additional risks:**

#### *Political Risks*

Investments made by the Sub-Fund may be materially adversely impacted by Japanese politics and changes in the political scenario in Japan. Actions of the Government could have a significant effect on the Japanese economy, which could affect private sector companies and market conditions, prices and yields of securities in the Sub-Fund’s portfolio.

#### *Economic Risk*

The Sub-Fund may be highly linked to the performance of the Japanese economy. For instance, a slow down in economic growth or macro-economic imbalances may adversely affect investments in the country.

#### *Concentration Risk*

While the assets of the Sub-Fund will always be invested in compliance with the diversification requirements provided by applicable law, the Sub-Fund will be invested in a concentrated portfolio of companies which could increase the risk of losses in adverse market conditions.

#### *Japanese Permanent Establishment Risk*

The Japanese tax advisor to the Fund has advised that, under Japanese tax law, an offshore investor may have a permanent establishment in Japan in a number of circumstances, including if it has: (i) a fixed place of business in Japan through which it conducts business; or (ii) an agent in Japan who has, and habitually exercises, authority to conclude contracts in Japan on behalf of the non-resident, or where the agent exclusively performs for the non-resident a significant part of the activities that lead to the conclusion of contracts. If an offshore investor has a permanent establishment in Japan, then it would be subject to Japanese tax at rates of approximately 41% to



42% for corporations (depending on the capital of the corporate entity) and at marginal rates ranging from 15% to 50% for individuals.

The permanent establishment determination is a facts and circumstances one. However, the Management Company and the Investment Manager intend to operate in a manner to avoid the Fund having a permanent establishment in Japan.

*Japanese Equity and Small-Cap Company Risk*

Unitholders in the Sub-Fund must recognise that, due to the inherent characteristics of equity markets, the value of their investment can go down as well as up, and that they may not receive back the monies originally invested. The Sub-Fund intends to invest primarily in Japanese markets and, therefore, there is a risk to investors by reason that the Sub-Fund is exposed to one particular economy. In addition, investments in securities issued by small capitalisation companies in Japan may involve greater risk than investments in large-capitalisation companies. The value of securities issued by Japanese small-cap companies may go up or down, sometimes rapidly and unpredictably, due to narrower markets and more limited managerial and financial resources than large-cap companies. Accordingly, the Sub-Fund's investments in Japanese small cap companies may increase the volatility of its portfolio.

<b>Investment Manager</b>	Sumitomo Mitsui Trust Asset Management Co., Ltd.
<b>Currency of denomination of the Sub-Fund</b>	JPY
<b>Unit Class Currencies</b>	JPY; GBP; EUR; USD
<b>Hedged Unit Class Currencies<sup>7</sup></b>	GBP; EUR; USD
<b>Business Day</b>	Every day which is a bank and stock exchange full business day in Luxembourg, London and in Japan
<b>Valuation Day</b>	Every Business Day
<b>Application Deadline</b>	5:00pm CET on the Business Day preceding the relevant Valuation Day
<b>Time for the payment of the subscription price</b>	T+2 Business Days
<b>Time for the payment of the redemption proceeds</b>	T+2 Business Days under normal circumstances. Redemption proceeds in respect of Units will be paid on or within ten Business Days following the Application Deadline.
<b>Financial Year</b>	From 1 April to 31 March in each year
<b>Interim Financial Year</b>	From 1 April to 30 September in each year
<b>First Financial Year</b>	31 March 2025
<b>Overall Management Costs</b>	<p>The Overall Management Costs correspond to the fees that external services providers are entitled to receive out of the assets of the Sub-Fund. It includes the Management Fee, the Depositary and Administration Agent Fee and other similar fees.</p> <ul style="list-style-type: none"> <li>• The Management Company is entitled to a fee of 0.06 % of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of EUR 1,200 per month. Additionally, the Management Company is entitled to a Depositary oversight fee of EUR 13,000 per annum at Fund level and any other variable charges as provided for in the Management Company Agreement.</li> <li>• The Administration Agent is entitled to a fee of up to 0.05% of the Net Asset Value of the Sub-Fund's assets per annum, subject to a minimum fee of USD 3,200 per month, and any other variable charges as provided for in the Administration Agreement. Additionally, the Administration Agent is entitled to an annual fee of USD 10,000 at the level of the Fund by levying 1/12 of the fee on a monthly basis, and up to USD 1,500 per annum at the Sub-Fund level, plus any other variable charges for the provision of reporting services in relation to CRS and FATCA.</li> <li>• The Depositary is entitled to a fee of up to: <ul style="list-style-type: none"> <li>(a) For Hedged assets: 0.08 % of the Net Asset Value of the hedged assets per annum, subject to a minimum fee of USD 1,300 per month. Additionally, the Depositary is entitled to a minimum fee for Hedging services of USD 50,000 per annum charged at fund level, and any other variable charges as provided for in the Depositary Agreement;</li> <li>(b) For unhedged assets: 0.03% of the Net Asset Value of the unhedged assets per annum, subject to a minimum fee of USD 1,300 per month and any other variable charges as provided for in the Depositary Agreement.</li> </ul> </li> </ul>

<sup>7</sup> Fund class operating fees will be by agreement subsidised by the Global Distributor, when the class is not yet of suitable size to cover its own operational costs. This will not affect the normal charges paid by Investors as described above and on the following page.

	<p>Additionally, the Depository is entitled to an oversight fee of 0.01% of the Net Asset Value of the Sub-Fund subject to a minimum fee of USD 750.</p> <ul style="list-style-type: none"> <li>The Global Distributor will in normal circumstances assume any expenses if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the Net Asset Value of the Sub-Fund exclusive of i) Investment Management Fee, ii) Distribution Fees, and iii) FX hedging fees.</li> </ul>
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Unit Classes	Class A (1)	Class B (2)	Retail Class (3)	RDR Class (4)	Class C (5)
Categories	a	a	a	a	a
Collective Fees (investment management and distribution) (6)	0.75% of the Net Asset Value of the Sub-Fund per annum.	0.50% of the Net Asset Value of the Sub-Fund per annum.	1.40% of the Net Asset Value of the Sub-Fund per annum.	0.75% of the Net Asset Value of the Sub-Fund per annum.	1.75% of the Net Asset Value of the Sub-Fund per annum.
Subscription Fee	0%	0%	0%	0%	0%
Redemption Fee	0%	0%	0%	0%	0%
Conversion Fee	0%	0%	0%	0%	0%
<p>(1) The Class A is opened to all investors.  (2) The Class B is reserved for early bird investors who invest before the AUM of the Sub-Fund exceeds JPY 5 billion (or its equivalent in other currencies).  (3) The Retail Unit Class is intended for investors who are resident in countries which permit the payment of trailer fees and commissions. Any trailer fee and commission will be paid out of the annual fee of the Investment Manager.  (4) The Retail Distribution Review (“RDR”) Unit Class is intended for investors who are resident in countries which prohibit the payment of trailer fees and commissions and/or to investors with a separate fee arrangement with their financial intermediary.  (5) The Class C is opened to all investors.  (6) calculated on a daily basis and payable quarterly in arrears.</p>					

With respect to the hedged classes listed below, the Investment Manager shall seek to hedge all or part of the currency risk against the currency of such Hedged Classes.

	Class A / Class B/ Class C						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000
Minimum subsequent investment (1)	1,000,000.-	10,000	10,000	10,000	10,000	10,000	10,000

(1) Currently, there is no Minimum Subsequent Subscription amount applicable to the Classes of Units, nor is there a Minimum Holding amount.

	Retail Class / RDR Class						
	JPY Classes	GBP Classes	EUR Classes	USD Classes	GBP Hedged Classes	EUR Hedged Classes	USD Hedged Classes
Minimum initial amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minimum subsequent investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This information sheet is issued as a supplement to the Prospectus dated 29 July 2024. The information contained within this information sheet should be read in conjunction with the full information contained in the Prospectus. In particular, investors should read the risk warnings set out in the Prospectus.

ANNEX II

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Japan Small Cap II Fund

**Legal entity identifier:** 529900OT62XNUQX03B96

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**

**No**

- It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%

- It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective
- It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund promotes environmental and/or social characteristics by applying the Investment Manager’s proprietary environmental, social and/or governance (“ESG”) scoring process (“ESG Scoring Process”), which evaluates an issuer’s ESG performance against the ESG criteria based on ESG materiality. The “ESG Materiality” is identified by the Investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security and Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement.

A specific index has not been designated as a reference benchmark to determine whether the Sub-Fund is specifically aligned with the environmental or social characteristics that it promotes.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund’s weighted average ESG Score relative to that of the Russel Nomura Small Cap Index (“Russel Nomura Small Cap”). “ESG Score” means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks.

**ESG Scoring Process**

The Sub-Fund will assess the ESG practices of issuers through the application of the ESG Scoring process, which involves scoring each issuer on its current level of performance and the quality of each issuer’s policies and initiatives designed to improve those practices. The ESG criteria that each issuer is assessed against are summarised under “ESG Materiality” below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

**ESG Materiality**

The ESG Scoring Process is informed by and based on the following ESG materiality:

Environment	Social	Governance
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change as needed.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

	<p>In addition, the Investment Manager’s analysts seek information through direct engagement with company management.</p> <p>Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):</p> <ul style="list-style-type: none"> <li>(i) Issuing the provisional ESG score for the issuer based on the raw data.</li> <li>(ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.</li> <li>(iii) Adjusting the provisional ESG score based on the result of Investment Manager’s engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager’s engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).</li> <li>(iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry’s relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company’s business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.</li> <li>(v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts’ research of the issuer and engagement with the company management of the issuer.</li> </ul> <p>The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.</p>
	<ul style="list-style-type: none"> <li>● <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
	Not applicable.
	<p>----- <i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
	Not applicable.
	<p>----- <i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i></p>
	Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p>	

Any other sustainable investments must also not significantly harm any environmental or social objectives.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, the Investment Manager uses all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement activities which are based on the ESG Materiality.

The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution and Waste, (iv) Environmental Opportunities, (v) Human Rights and Community, (vi) Human Capital, (vii) Security and Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability and Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.

In addition, The Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality.

Information on principal adverse impacts on sustainability factors can be found in the corresponding section of the Fund's annual report. The information concerning principal adverse impact at the Sub-Fund level will also be available in the Sub-Fund's annual reports.

No

**What investment strategy does this financial product follow?**

The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the Russel Nomura Small Cap components.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Investment Manager actively manages the Sub-Fund's portfolio to keep the weighted average ESG Score of the Sub-Fund's portfolio above the ESG Scoring Threshold. In the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager will take steps within a reasonable period of time, including the enhanced engagement with the investee companies (as explained in the next paragraph) and adjustment of the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.

All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded.

The Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager assesses issuers' adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance in the process of the ESG Scoring Process.


**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

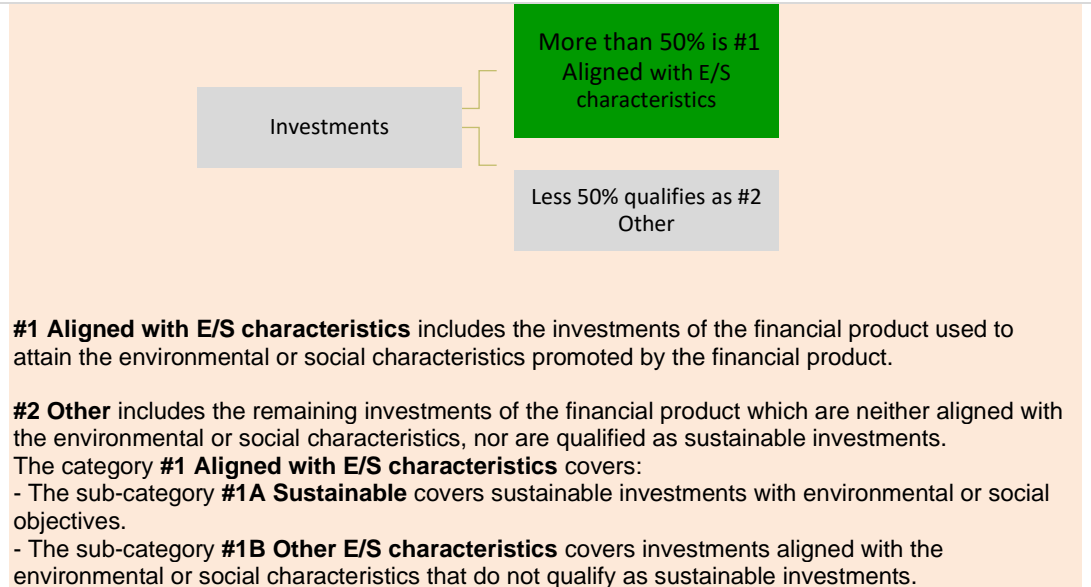
**Good governance practices** include sound management structures, employee relations, remuneration of staff and tax compliance.


Asset allocation describes the share of investments in specific assets.

	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying the ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As a result, at least 50% of the weight of the portfolio includes the companies/issuers whose ESG score is higher than that of Russel Nomura Small Cap.</p> <p>Investments included in #2 Other will be less than 50% of the weight of the portfolio and will include cash and cash equivalents such as certificates of deposit, treasury bills and notes in the appropriate circumstances, currency forwards for hedging purposes and investments for which there is a lack of data to ascertain their alignment with the environmental and/or social characteristics promoted by the Sub-Fund. Minimum safeguards include all the potential investments of the Sub-Fund being subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying the ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation. Constantly, and in particular in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund's exposure to certain investee companies, as the Investment Manager believes necessary.</p> <p>Due to the nature of cash and cash equivalents such as certificates of deposit, treasury bills and notes and currency forwards there are no existing environmental and/or social safeguards relating to these assets.</p>
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Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




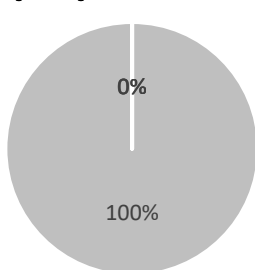
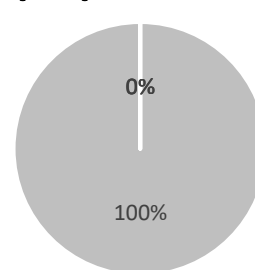

	<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>The Sub-Fund is authorised to use derivatives for hedging or efficient portfolio management purposes only.</p>
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p> <p>While the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR, the investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Therefore, the Fund's portfolio alignment with the Taxonomy Regulation is not calculated. As such, the Sub-Fund does not currently commit to investing more than 0% of its assets in investments aligned with the Taxonomy Regulation.</p>



To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

	<ul style="list-style-type: none"> <li>• <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>8</sup>?</b></li> </ul>
	<input type="checkbox"/> Yes:
	<input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy
	<input checked="" type="checkbox"/> No
<p><b>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</b></p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 10px; width: 45%;"> <p style="text-align: center;">1. Taxonomy-alignment of investments including sovereign bonds*</p> <ul style="list-style-type: none"> <li>■ Taxonomy-aligned: Fossil gas</li> <li>■ Taxonomy-aligned: Nuclear</li> <li>■ Taxonomy-aligned (no fossil gas &amp; nuclear)</li> <li>■ Non Taxonomy-aligned</li> </ul>  </div> <div style="border: 1px solid #ccc; padding: 10px; width: 45%;"> <p style="text-align: center;">2. Taxonomy-alignment of investments excluding sovereign bonds*</p> <ul style="list-style-type: none"> <li>■ Taxonomy-aligned: Fossil gas</li> <li>■ Taxonomy-aligned: Nuclear</li> <li>■ Taxonomy-aligned (no fossil gas &amp; nuclear)</li> <li>■ Non Taxonomy-aligned</li> </ul>  <p style="text-align: center; font-size: small;">This graph represents 100% of the total investments.</p> </div> </div> <p>* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.</p>	
	<ul style="list-style-type: none"> <li>• <b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li>• <b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></li> </ul>
	<p>0%</p> <p>In assessing whether an investment is considered to be in environmentally sustainable economic activities, the Investment Manager must be satisfied that the relevant economic activity (i) contributes substantially to the environmental objective of climate change mitigation or climate change adaptation, (ii) does not significantly harm any of the environmental objectives outlined in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "<b>Taxonomy Regulation</b>"); (iii) is carried out in compliance with the minimum safeguards laid down in the Taxonomy Regulation and (iv) complies, as of the date of this Supplement, with the technical screening criteria relating to climate change mitigation and climate change adaptation (as applicable) set down in Commission Delegated Regulation 2021/2139 (EU).</p> <p>The Investment Manager cannot currently satisfy itself that the investments within the portfolio meet the aforementioned criteria.</p>

<sup>8</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What is the minimum share of socially sustainable investments?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments included in #2 Other include cash and cash equivalents such as certificates of deposit, treasury bills and notes in the appropriate circumstances, currency forwards for hedging purposes and investments for which there is a lack of data to ascertain their alignment with the environmental and/or social characteristics promoted by the Sub-Fund.

Minimum safeguards include all the potential investments of the Sub-Fund being subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying the ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than ESG Scoring Threshold considering the investment objective of the Sub-Fund, the average ESG Score of the whole portfolio of the Sub-Fund (weighted with market capitalization) and market situation.

Constantly, and in particular in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund’s exposure to certain investee companies, as the Investment Manager believes necessary.

Due to the nature of cash and cash equivalents such as certificates of deposit, treasury bills and notes and currency forwards there are no existing environmental and/or social safeguards relating to these assets.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

● **How does the designated index differ from a relevant broad market index?**

Not applicable.

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://eu.sumitrust-am.com/funds>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## Annex A – Management Regulations

### MANAGEMENT REGULATIONS OF SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

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#### 1 THE FUND

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) (the “**Fund**”) organized in and under the laws of the Grand-Duchy of Luxembourg as a mutual investment umbrella fund (*fonds commun de placement à compartiments multiples*), is an unincorporated coproprietorship of securities and other assets (“**Securities**”) managed in the interest of its co-owners (“**Unitholders**”) by FundRock Management Company S.A., acting for and on behalf of the Fund (the “**Management Company**”), a company incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office in the Grand Duchy of Luxembourg. The assets of the Fund are segregated from those of the Management Company and from those of any other investment funds managed by the Management Company. The Fund is authorised under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the “**2010 Law**”).

The Fund is managed by the Management Company in accordance with Management Regulations originally entered into on 25 May 2018 (the “**Management Regulations**”) and last amended on 16 July 2024. The original Management Regulations have been deposited with the Luxembourg Trade and Companies Register and have been published on 25 May 2018 with the *Recueil Électronique des Sociétés et Associations* (“**RESA**”) under *RESA\_2018\_115*. The Fund is registered with the Luxembourg Trade and Companies Register under number K1895. The Management Regulations may be inspected at the Luxembourg Trade and Companies Register and copies thereof may be obtained.

The Fund has been established on 25 May 2018 for an undetermined period. The Fund may be dissolved at any time by agreement between the Management Company and the Depositary (as hereinafter defined). The Fund will be dissolved in any case required under Luxembourg law. Any notice of dissolution will be published at the *RESA* and in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. In the event of dissolution, the Management Company will realise the assets of the Fund in the best interests of the Unitholders, and the Depositary, upon instructions given by the Management Company, will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Unitholders in proportion to their rights. As soon as the circumstance leading to the state of liquidation of the Fund arises, issue of the Units is prohibited on penalty of nullity. Repurchase of Units remains possible provided that equal treatment of Unitholders can be ensured.

#### 2 THE MANAGEMENT COMPANY, THE INVESTMENT MANAGER, THE DISTRIBUTORS

##### 2.1 The Management Company

The Management Company was organised as a “société anonyme” under the laws of the Grand-Duchy of Luxembourg by notarial deed dated 10 November 2004, published in the *Mémorial C, Recueil des Sociétés et Associations* on 6 December 2004, and is approved by the CSSF as a management company regulated by Chapter 15 of the 2010 Law. The articles of incorporation of the Management Company were most recently amended on 9 January 2020 and published in the *Recueil Électronique des Sociétés et Associations* on 21 February 2020. The Management Company is incorporated for an undetermined period. Its registered and principal office is at 33, rue de Gasperich, 5826 Hesperange, Grand Duchy of Luxembourg. The Management Company is registered with the Luxembourg Trade and Companies Register under number B 104.196. Its subscribed capital amounts to 10,000,000 Euro and is fully paid up. The Management Company also acts as management company for other investment funds. The names of these other funds are available upon request.

The Fund is an unincorporated co-proprietorship of all its securities and other assets. For this purpose, it is managed in the interest of the Unitholders by the Management Company. The latter may undertake on behalf of the Fund and of the Unitholders any act of administration and management, including the purchase, sale, subscription and exchange of any securities, and exercise all rights directly or indirectly related to the Fund's assets.

The Board of Directors of the Management Company (hereinafter the “Board of Directors”) shall determine the investment policy of the Fund within the restrictions set forth in section 5 hereafter.

The Board of Directors may appoint a general manager or managers and/or administrative agents to implement the investment policy and administer and manage the assets of the Fund.

The Management Company may obtain investment information, advice and other services, remuneration for which will be at the Fund's charge to the extent provided herein.

The Board of Directors of the Management Company is responsible for the management of the Fund. Subject to its overall responsibility, control and supervision, the Management Company may delegate the day-to-day management of the investments of the Fund or any Sub-Fund (as defined below in section 7.3) to investment advisers / managers.

Unitholder information may be accessed by the Management Company, or its agents, including the Investment Manager, Administration Agent and Depositary, and such information, including tax data, may be provided to other entities, both within and outside the European Economic Area, where the information is necessary for the maintenance of records, administration or provision of services to the Unitholder.

The Management Company will receive periodic reports from the Investment Manager detailing the Fund's performance and analysing its investment portfolio. The Management Company will receive similar reports from the Fund's other service providers in relation to the services which they provide as provided for in the Investment Management Agreement and the other service providers agreements.

## **2.2** The Investment Manager

The Management Company is responsible for determining the investment policy of the different Sub-Funds and the overall management and administration of the Fund.

In determining the investment policies of the Sub-Funds, the Management Company may be assisted by Sumitomo Mitsui Trust Asset Management Co., Ltd., a company incorporated in accordance with the laws of Japan as a limited company on 1 November 1986 with registration number 8010001114914 (the "**Investment Manager**"). Pursuant to the Investment Management Agreement dated 1 October 2018 (as amended, the "**Investment Management Agreement**"), entered into by the Management Company and the Sumitomo Mitsui Trust Asset Management Co., Ltd. for an undetermined duration, the Sumitomo Mitsui Trust Asset Management Co., Ltd. was appointed as Investment Manager to provide day-to-day management of the Fund's investments, subject to the overall supervision and responsibility of the Management Company. The Investment Manager is required to adhere strictly to the guidelines laid down by the Management Company. In particular, the Investment Manager is required to ensure that the assets of the Fund and each Sub-Funds are invested in a manner consistent with Fund's and Sub-Funds' investment restrictions and that assets (including cash) belonging to the Fund and each Sub-Fund are invested in accordance with the guidelines laid down by the Management Company.

The Investment Manager may delegate any of its duties under its control to any other party ("**Sub-Manager**") subject to approval by the Management Company and as the case may be, the appropriate regulatory clearance, but will remain responsible for the proper performance by such party of those duties. The Sub-Managers will be remunerated by the Investment Manager. The Investment Manager may also seek advice from other third parties (each a "**Sub-Advisor**") subject to the same conditions.

The Sumitomo Mitsui Trust Asset Management Co., Ltd. or the Management Company may each terminate the Investment Management Agreement subject to three months' prior written notice. As remuneration for the services rendered by it pursuant to the Investment Management Agreement, Sumitomo Mitsui Trust Asset Management Co., Ltd. is entitled to receive from the Management Company out of the assets of the Sub-Funds an Investment Management Fee calculated as described for each Sub-Fund in the relevant appendix to the prospectus of the Fund (the "**Prospectus**").

## **2.3** The Distributors

The Management Company has appointed as Global Distributor Sumitomo Mitsui Trust International Limited, to market and promote the Fund's Units of each Sub-Fund from the UK. The Global Distributor may with the prior approval of the Management Company conclude contractual arrangements with sales agents, marketing agents, distribution agents and other financial intermediaries (the "**Sub-Distributors**") to market and promote the Fund's Units. The appointment of the Global Distributor was made pursuant to a distribution agreement dated as of 25 May 2018 concluded for an unlimited period of time, (the "**Global Distribution Agreement**"). The Global Distribution Agreement may be terminated by either party thereto giving not less than three months' prior notice. The Global Distributor does not accept subscription monies. Such payments will be made directly to the Fund's account opened with the Depositary as provided for in the Global Distribution Agreement. Sumitomo Mitsui Trust International Limited is a London based wholly owned subsidiary of Sumitomo Mitsui Trust Asset Management Co., Ltd., representing Sumitomo Mitsui Trust Asset

Management Co.'s products and services outside Japan primarily in Europe and the Middle East. The Global Distributor is a British specialist fund manager which has operated in the United Kingdom in its current form since April 2012. The Global Distributor is authorised and regulated in the United Kingdom by the Financial Conduct Authority under Firm Reference Number 124546 in the conduct of its designated investment business. The Global Distributor was incorporated as a limited company under the laws of the U.K. on 2 April 2012 with registered number 02007985.

### **3 The Depositary, the Administration Agent**

#### **3.1 The Depositary**

The Management Company appointed Brown Brothers Harriman (Luxembourg) S.C.A. ("**BBH**") as the depositary of the Fund's assets (the "**Depositary**") pursuant to the terms of a depositary agreement dated as of 25 May 2018, as amended from time to time (the "**Depositary Agreement**"). BBH is registered with the Luxembourg Company Register (RCS) under number B-29923 and has been incorporated under the laws of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended and supplemented from time to time. BBH is a bank organised as a partnership limited by shares (*société en commandite par actions*) in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 80 Route d'Esch, L-1470 Luxembourg.

BBH has established adequate corporate governance and employs comprehensive and detailed corporate policies and procedures requiring all lines of business to have policies and procedures to comply with applicable laws and regulations.

BBH shall take all reasonable steps to identify and mitigate potential conflicts of interest. These steps include the implementation of its conflicts of interest policies and procedures that are appropriate for the scale, complexity and nature of its business. These policies and procedures address conflicts of interest that may arise through the provision of services to the Fund. These policies identify the circumstances that give rise or may give rise to a conflict of interest and includes the procedures to be followed and measures to be adopted in order to manage any conflict of interest. A conflict of interest register is maintained and monitored by the Depositary. Compliance with conflict of interest policies and procedures is supervised and monitored by BBH's board of managers, its executive committee (including the authorised management), as well as internal compliance, internal audit and risk management functions.

As BBH also acts as Registrar and Transfer Agent, Paying Agent and Central Administrative Agent for the Fund, appropriate policies and procedures have been established and are maintained by BBH relating to the management of conflicts of interest that may arise through the provision of its services to the Fund as Depositary, Registrar and Transfer Agent, Paying Agent and Central Administrative Agent.

BBH has implemented appropriate segregation of activities between the depositary and the administrative services, including escalation processes and governance. For this purpose, the depositary function is hierarchically and functionally segregated from the administration and registrar services unit.

According to BBH's conflicts of interest policy, all material conflicts of interest involving internal or external parties shall be promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, BBH shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclose conflicts of interest to the Fund as well as (ii) manage and monitor such conflicts.

BBH ensures that all employees are informed, trained and advised of applicable conflicts of interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent issues.

The Depositary shall assume its functions and responsibilities as a fund depositary in accordance with the provisions of Depositary Agreement, the 2010 Law and applicable Luxembourg laws, rules and regulations regarding (i) the safekeeping of financial instruments of the Fund to be held in custody and the supervision of other assets of the Fund that are not held or capable of being held in custody, (ii) the monitoring of the Fund's cash flow and (iii) the following oversight duties:

- (i) ensuring that the sale, issue, repurchase, redemption and cancellation of the Units are carried out in accordance with the Articles and applicable Luxembourg laws, rules and regulations;
- (ii) ensuring that the value of the Units is calculated in accordance with the Articles and applicable Luxembourg laws, rules and regulations;

- (iii) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- (iv) ensuring that the Fund's income is applied in accordance with the Articles and applicable Luxembourg laws, rules and regulations; and
- (v) ensuring that instructions from the Fund did not conflict with the Articles and applicable Luxembourg laws, rules and regulations.

The Depositary should hold in custody all financial instruments that can be physically delivered to it, as well as all financial instruments of the Fund that:

- (a) can be registered or held in an account directly or indirectly in the name of the Depositary;
- (b) are only directly registered with the issuer itself or its agent in the name of the Depositary;
- (c) are held by a third party to whom safekeeping functions are delegated.

The Depositary should ensure that the custody risk is properly assessed, that due-diligence and segregation obligations have been maintained throughout the whole custody chain, to make sure that financial instruments held in custody are subject to due care and protection at all times.

The Depositary shall provide the Management Company, on a regular basis, with a comprehensive inventory of all of the assets of the UCITS. In accordance with its oversight obligations, the Depositary shall set up appropriate procedures to verify on an ex-post basis that the Fund's investments are consistent with the investment objectives and policies of the Fund and Sub-Funds as described in the Prospectus and the Management Regulations and to ensure that the relevant investment restrictions are complied with.

The Depositary shall also properly monitor the Fund's cash flows so as to ensure, inter alia, that all payments made by, or on behalf of, investors upon the subscription of the Units of the Fund have been received, and that all the cash has been booked in one or more account(s) opened at an eligible banking institution.

In accordance with the provisions of the Depositary Agreement, the 2010 Law, the EU Directive 2009/65/EC, as amended by EU Directive 2014/91/EU (the "**UCITS Directive**"), the Commission delegated regulation 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC (the "**UCITS V Regulation**") and applicable Luxembourg laws, rules and regulations, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate to one or more correspondents appointed by the Depositary from time to time, part or all of its safe-keeping duties with regard to the financial instruments to be held in custody (i.e. financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary). For this purpose, the Depositary has established and maintains appropriate procedures designed to select, monitor and supervise third-party provider(s) that meets the Depositary internal standards in each market, in accordance with local laws and regulations.

When selecting and appointing a correspondent, the Depositary shall exercise all due skill, care and diligence as required by applicable Luxembourg laws, rules and regulations to ensure that it entrusts the Fund's assets only to a correspondent who may provide an adequate standard of protection and who has and maintains the required expertise and competence. The Depositary shall also periodically assess whether correspondents fulfil applicable legal and regulatory requirements and shall exercise ongoing supervision over each correspondent to ensure that the obligations of the correspondents continue to be appropriately discharged. The list of Correspondents relevant to the UCITS is available on: <http://www.bbh.com/luxglobalcustodynetworklist>. This list may be updated from time to time and is available from the Depositary upon written request.

Where the laws of a third country requires that certain financial instruments be held in custody by a local entity and no local entities satisfy the delegation requirements laid down in the 2010 Law, the Depositary may delegate its functions to such a local entity only to the extent required by the laws of the third country and only for as long as there are no local entities that satisfy the delegation requirements. The Depositary's liability shall not be affected by any such delegation. The Depositary is liable to the Fund or its Unitholders pursuant the provisions of applicable Luxembourg laws, rules and regulations.

A potential risk of conflicts of interest may occur in situations where the correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the correspondent. Where a correspondent shall have a group link with the Depositary, the Depositary undertakes to

identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any correspondent. The Depositary will notify the Fund or the Management Company of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Updated information on the Depositary's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

The 2010 Law and the UCITS V Regulation provide for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the Fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary will be liable to the Fund and the Unitholders for the loss suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its obligations pursuant to the 2010 Law.

The Depositary's appointment is for an undetermined duration. The Depositary or the Management Company may at any time, subject to advance notice of at least ninety calendar days from one party to the other, terminate the Depositary's duties, it being understood that the Management Company is under a duty to appoint a new Depositary who shall assume the functions and responsibilities defined by the 2010 Law. Pending its replacement, the Depositary shall take all necessary steps for the safe keeping of the interest of the Unitholders.

Pursuant to the Depositary Agreement, BBH will receive a fee out of the assets of the Fund as further described in section "Charges and Expenses" of the Prospectus and in the relevant Sub-Fund appendix.

### **3.2 The Administration Agent**

Brown Brothers Harriman (Luxembourg) S.C.A. has also been appointed as the Fund's administration agent, domiciliary agent, registrar and transfer agent and paying agent (the "**Administration Agent**"). In such capacity Brown Brothers Harriman (Luxembourg) S.C.A. furnishes certain administrative and clerical services, including fund accounting, cash flow monitoring, registration and transfer agent services and activities as a paying agent for the Units in the Fund. It further assists in the preparation of and filing with the competent authorities of financial reports.

The Administration Agent's appointment is for an undetermined duration and is governed by an agreement dated 25 May 2018 (the "**Administration Agreement**").

The Administration Agent or the Management Company may each terminate the Administration Agreement subject to three months' prior notice.

## **4 INVESTMENT OBJECTIVE**

The Fund's objective, based upon the principle of diversification of risk, is to manage its assets for the benefit of the Unitholders of the Fund and to seek to achieve the objective of each Sub-Fund as described within the appendix to the Prospectus relating to the Sub-Fund concerned.

## **5 INVESTMENT POWERS AND LIMITATIONS - TECHNIQUES AND INSTRUMENTS**

**5.1** The Fund's Management Regulations permit it to invest in transferable securities and other liquid financial assets, to the full extent permitted by Luxembourg law, except as otherwise provided for each Sub-Fund in the relevant appendix to the Prospectus. These Management Regulations have the effect that, subject to the law, it is at the Management Company's discretion to determine any restrictions on investment or on borrowing or on the pledging of the Fund's assets.

**5.2** The following restrictions of Luxembourg law currently apply to the Fund:

**5.2.1** The investments of each Sub-Fund shall consist solely of:

- (a) Transferable securities and money market instruments admitted or dealt in a regulated market in member states of the European Union (the “**Member States**”),
- (b) Transferable securities and money market instruments dealt in on other markets in Member States, that are regulated operating regularly, are recognised and are open to the public,
- (c) Transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American continents and Africa,
- (d) Transferable securities and money market instruments dealt in on other markets that are regulated operating regularly, are recognised and open to the public of any other country in Europe, Asia, Oceania, the American continents and Africa,
- (e) Recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in a) and c) or regulated markets that are operating regularly, are recognised and open to the public as specified in b) and d) and that such admission is secured within a year of issue,
- (f) Units of Undertaking for Collective Investment in Transferable Securities (“**UCITS**”) and authorised according to the EU Directive 2009/65/EC, as amended, and/or other undertakings for collective investment (“**UCIs**”) within the meaning of article 1(2), first and second indents of such directive, whether they are situated in a Member State or not, provided that:
  - such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier (“**CSSF**”) to be equivalent to that laid down in law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for Unitholders in the other UCIs is equivalent to that provided for Unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of EU Directive 2009/65/EC, as amended;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10 % of the UCITS' or the other UCIs' assets (or of the assets of any Sub-Fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs,
- (g) 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 a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law,
- (h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in sub-paragraph (a), (b), (c) and (d); and/or financial derivative instruments dealt in over-the-counter (“**OTC Derivatives**”), provided that:
  - the underlying consists of instruments described this in sub-paragraph 5.2.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund 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 CSSF; and
  - the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative,



- (i) money market instruments other than those dealt in on a regulated market, which fall under article 1 of the 2010 Law, if the issuer or 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 central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong or;
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in sub-paragraphs (a), (b), (c) or (d) above, or;
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law or;
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with EU 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.

**5.2.2** Furthermore, each Sub-Fund may:

- invest no more than 10% of its net assets in securities and money market instruments other than those referred to in sub-paragraph 5.2.1 above.

**5.2.3** Each Sub-Fund may acquire the units or shares of UCITS and/or other UCIs referred to in paragraph 5.2.1 (f), provided that the aggregate investment in UCITS or other UCIs does not exceed 10% of the net assets of each Sub-Fund. However, this restriction does not apply to Sub-Funds which are funds of funds and whose denominations include the term ‘fund of funds’. In the case of funds of funds, a Sub-Fund may acquire units of UCITS and/or UCIs provided that no more than 20% of its assets are invested in the units of a single UCITS or other UCI. Investments made by funds of funds in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the Sub-Fund.

- acquire movable and immovable property which is essential for the direct pursuit of its business;
- acquire no precious metals nor certificates representing them.

When each Sub-Fund has acquired the units or shares 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 paragraph 5.2.5.

When the Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company and/or Investment Manager or by any other company with which the Management Company and/or Investment Manager is linked by common management or control, or by a substantial direct or indirect holding (“a substantial direct or indirect holding” is defined as more than 10% of the capital or voting rights), no subscription or redemption and management fees may be charged on the target fund level to the Sub-Fund on its investment in the units of such other UCITS and/or UCIs.

**5.2.4** A Sub-Fund may hold bank deposits at sight up to 20%.

**5.2.5** A Sub-Fund may not invest in any one issuer in excess of the limits set out below:

- (a) Not more than 10% of a Sub-Fund’s net assets may be invested in transferable securities or money market instruments issued by the same entity;
- (b) Not more than 20% of a Sub-Fund’s net assets may be invested in deposits made with the same entity;

- (c) By way of exception, the 10% limit stated in (a) may be increased to:
- a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong;
  - a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond holders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. When a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this paragraph and issued by one issuer, the total value of these investments may not exceed 80% of the value of the net assets of such Sub-Fund.
- (d) The total value of the transferable securities or money market instruments held by a Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments referred to in the two indents set out in 5.2.5 (c) above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 5.2.5 (a) to (d) above, a Sub-Fund may not combine:

- investments in transferable securities or money market instruments issued by a single entity, and/or
- deposits made with a single entity, and/or
- exposures arising from OTC Derivative transactions and efficient portfolio management techniques (“**EPM Techniques**”) undertaken with a single entity,

in excess of 20% of its net assets.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

The limits provided for in sub-paragraphs 5.2.5 (a) to (d) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 5.2.5 (a) to (d) shall under no circumstances exceed in total 35% of the net assets of the Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/ EEC or in accordance with recognized international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 5.2.5. (a) to (d) above.

The Sub-Fund may not invest cumulatively more than 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 5.2.5. (a) and the three indents under 5.2.5. (d) above.

Without prejudice to the limits laid down in paragraph 2.7 below, the limit of 10% laid down in sub-paragraph 5.2.5.(a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, 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.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

**By way of derogation, each Sub-Fund is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, by a member country of the OECD, of the G20 ( international forum for the governments and central bank governors from 20 major economies), by Singapore or by public international bodies of which one or more Member States are members, provided that (i) such securities are part of at least six different issues and (ii) securities from any one issue do not account for more than 30% of the net assets of such Sub-Fund.**

**5.2.6** The Fund may not invest in shares with voting rights enabling it to exercise significant influence over the management of the issuing body.

**5.2.7** The Fund may not:

- (a) Acquire more than 10% of the shares with non-voting rights of one and the same issuer.
- (b) Acquire more than 10% of the debt securities of one and the same issuer.
- (c) Acquire more than 25% of the units of one and the same undertaking for collective investment.
- (d) Acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 5.2.7. (b) (c) and (d) above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

**5.2.8** The limits stipulated in paragraphs 5.2.6. and 5.2.7. above do not apply to:

- (a) Transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
- (b) Transferable securities and money market instruments issued or guaranteed by a non-Member State,
- (c) Transferable securities and money market instruments issued by public international institutions to which one or more Member States are members,
- (d) Shares held by a Sub-Fund in the capital of a company incorporated in a non-Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that State such a holding represents the only way in which such Sub-Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State complies with the limits laid down in articles 43, 46 and 48 (1) and (2) of the 2010 Law. Where the limits set in articles 43 and 46 of the 2010 Law are exceeded, article 49 shall apply mutatis mutandis,
- (e) Shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of Units at Unitholders' request exclusively on its or their behalf.

**5.2.9** The Fund may always, in the interest of the Unitholders, exercise the subscription rights attached to securities, which forms part of its assets.

When the maximum percentages stated in paragraphs 5.2.2. through 5.2.7. above are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Fund must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its Unitholders.

**5.2.10** A Sub-Fund may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, the Fund may acquire for the account of a Sub-Fund foreign currency by way of back-to-back loan. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or future contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

- 5.2.11** The Fund may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 5.2.1. (f), (h) and (i) above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.
- 5.2.12** The Fund undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 5.2.1. (f), (h) and (i) above; provided that this restriction shall not prevent the Fund from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to below.
- 5.2.13** The Fund's assets may not include precious metals or certificates representing them or commodities.
- 5.2.14** The Fund may not purchase or sell real estate or any option, right or interest therein, provided that the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- 5.2.15** The Fund will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Units are marketed.
- 5.2.16** The Fund shall not issue warrants or other rights to subscribe for Units in the Fund to its Unitholders.

The Fund, in each Sub-Fund may invest in warrants in a proportion not exceeding 10% of the relevant Sub-Fund's net assets in terms of the total amount of premium paid.

The Fund shall take the risks that it deems reasonable to reach the assigned objective set for each Sub-Fund; however, it cannot guarantee that it shall reach its goals given stock exchange fluctuations and other risks inherent in investments in transferable securities.

## **6 DERIVATIVES AND FINANCIAL TECHNIQUES AND INSTRUMENTS**

- 6.1** The Sub-Funds are in principle authorised to use derivatives either for hedging or efficient portfolio management purposes including duration management or as part of their investment strategies as described in the Sub-Funds' investment objectives.
- 6.2** The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC Derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.
- 6.3** In addition, the Fund may be authorized to employ techniques and instruments relating to transferable securities and to money market instruments under the conditions and within the limits laid down by the CSSF for the purpose of efficient portfolio management or for hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Law. Under no circumstances shall these operations cause the Fund to diverge from its investment policies and restrictions.

- 6.4** The Fund will ensure that the global exposure relating to derivatives shall not exceed the total net value of a Sub-Fund. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The Sub-Funds may invest, as part of their investment policy and within the limits laid down in paragraph 5.2.5 (a) to (d) above in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 5.2.5. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph 5.2.5.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

**6.5** Notwithstanding the section 6.3 above, at the date of the signature of these Management Regulations, investments into securities financing transactions as defined under EU Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the “**SFTR**”) are not permitted.

Should any Sub-Fund in the future be permitted to enter into securities financing transactions, all the relevant information will be included in the Prospectus, in accordance with article 14.2 of the SFTR.

## **6.6** OTC Derivatives

An OTC Derivative is a derivative instrument which is not listed and traded on a formal exchange but is traded by counterparties who negotiate directly with one another over computer networks and by telephone. The counterparty risk on any transaction involving an OTC Derivative instrument may not exceed 10% of the assets of a Sub-Fund when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing on the EU. This limit is set at 5% in any other case.

The Management Company’s delegates will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for these transactions.

The Sub-Funds may use OTC Derivatives for the purpose of currency hedging. Rebalancing arrangements are in place with a view to ensuring that the exposure of each of the Sub-Funds to the counterparty risk resulting from those OTC Derivatives will not exceed the thresholds set forth in the 2010 Law. As a consequence, no collateral will be posted by or to the Fund in this context.

## **6.7** Management of collateral for OTC Derivative transactions and EPM Techniques

**6.7.1** If any collateral is to be obtained in respect of OTC Derivative transactions and EPM Techniques (“Collateral”), such Collateral must comply with the following criteria:

- (a) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of article 56 of the UCITS Directive;
- (b) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
- (c) issuer credit quality: Collateral should be of high quality;
- (d) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (e) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Sub-Fund’s Net Asset Value. When a Sub-Fund is exposed to different counterparties, the different baskets of Collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
- (f) immediately available: Collateral must be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

**6.7.2** Where there is title transfer, the Collateral received should be held by the Depositary, or its agent. Where there is no title transfer the Collateral can be held by a third-party depositary which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

**6.7.3** When the Collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in section 5.2.5 above.

**6.7.4** During the duration of the agreement, non-cash collateral cannot be sold, re-invested or pledged.

**6.7.5** Cash received as collateral may only be:

- (a) placed on deposit with entities prescribed in Article 50(f) of Directive 2009/65/EC;
- (b) invested in high quality government bonds;
- (c) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and
- (d) invested in short term money market funds as defined in the CESR Guidelines on a common definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

As a Sub-Fund may reinvest cash collateral it receives, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance, the Sub-Fund would be required to cover the shortfall. In case of cash collateral reinvestment, all risks associated with a normal investment will apply.

**6.7.6** A Sub-Fund receiving collateral for at least 30% of its assets must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable such Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy must at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- (b) empirical approach to impact assessment including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold/s; and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

The Sub-Fund must have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, the Sub-Fund must take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the above. This policy must be documented and must justify each decision to apply a specific haircut, to a certain class of assets.

## **7** ISSUE OF UNITS

### **7.1** Applications and Dealing Times

Instructions for the purchase, redemption or conversion of Units on any Business Day, as defined for each Sub-Fund in the relevant appendix to the Prospectus ("**Business Day**"), may be given directly to the Administration Agent or via any authorized distributor.

Dealing instructions to be effected on any Business Day (the "**Valuation Day**") must be received by the Administration Agent prior to such day and time as specified in the Sub-Fund appendix for a particular Sub-Fund ("**Application Deadline**"). Applications received after the Application Deadline will be deemed received on the Business Day following their receipt.

Unless stated otherwise in the relevant Appendix, applications received and accepted prior to the Application Deadline will normally be processed on the relevant Valuation Day at a dealing price ("**Dealing Price**") determined on that Valuation Day. Any instructions received after the Application Deadline will be processed on the next available Valuation Day and the Dealing Price for these late instructions will be based on the valuation determined on that Valuation Day.

The Management Company reserves the right to accept or reject any application in whole or in part and for any reason.

### **7.2** Procedure

The Management Company is authorised without limitation to issue Units (and within each Sub-Fund to issue different Classes of Units) at any time at the relevant Dealing Price per Unit which is based on the net asset value of the underlying assets (the "**Net Asset Value**") determined according to these Management Regulations without reserving

preferential subscription rights to existing Unitholders. Units of the Fund have no par value and are available only in registered, uncertificated form. Title to registered Units is evidenced by an entry in the Fund's Unit register.

The Management Company reserves the right to accept or reject at its discretion any application in whole or in part.

Applicants wishing to subscribe for Units should complete an application form ("**Application Form**") and send it directly to the Administration Agent, or via any authorized distributor together with all required identification documents. Should such documents not be provided, the Administration Agent will request such information and documentation as it is necessary to verify the identity of an applicant. Units will not be issued until such time as the Administration Agent has received and is satisfied with all the information and documentation requested to verify the identity of the applicant. Failure to provide such information or documentation may result in a delay of the subscription process or a cancellation of the subscription request. For subsequent applications made by fax for the same account it will not be necessary to forward the original copy of the Application form.

The initial subscription period is specified for each Sub-Fund in the relevant appendix to this Prospectus applying to such Sub-Fund.

Initial and subsequent subscriptions are subject to the minima and conditions described in the appendix to this Prospectus relating to the Sub-Fund concerned. These minima may be waived or varied, for any particular case, by the Global Distributor or generally, as the Management Company may decide. In addition, the Management Company reserves the right to, at any time, compulsorily redeem holdings of Units that remain, or fall, below the applicable minima, for reasons other than market fluctuations, at the relevant redemption price and make payment of the proceeds thereof to the Unitholder.

Applications shall be received and effected as indicated under "Applications & Dealing Times".

The issue of all Units will be confirmed by a contract note which will indicate the Unitholder's Personal Account Number.

The Application Form enables applicants to specify a bank account to which redemption proceeds should always be paid. Any subsequent change to a specified bank account must be confirmed in writing accompanied by the signature(s) of the Unitholder(s).

A subscription fee may be payable to the distributors in relation to the subscription of Units as may be specified in the relevant appendix to this Prospectus relating to the Sub-Fund concerned.

### **7.3** The Sub-Funds

The Management Company may, from time to time create new Sub-Funds by adding further appendices to the Prospectus.

The Fund has adopted an 'umbrella' structure to provide investors with a choice of investment portfolios ("**Sub-Funds**") within the same investment vehicle. Each Sub-Fund may be differentiated by its specific investment objective, policy, currency of denomination, domicile of the target Unitholders or other specific features. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. This arrangement enables investors to select the Sub-Fund which best reflects their specific risk and return expectations as well as their diversification requirements.

All Units of a Sub-Fund have equal rights as to dividends and repurchase and proceeds in a liquidation.

The Management Company shall establish a portfolio of assets for each Sub-Fund in the following manner:

- (a) the proceeds from the allotment and issue of Units of each Sub-Fund shall be applied in the books of the Fund to the relevant Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund, subject to the provisions of these Management Regulations;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each valuation of an asset, the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (c) where the Fund incurs a liability, which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund; the liabilities shall be segregated on a Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned;

- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated by the Management Company, after consultation with the auditors, in a way considered to be fair and reasonable having regard to all relevant circumstances;
- (e) upon the record date for the determination of any dividend declared on a Distributing Unit of any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the amount of such dividend, but subject always to the provisions relating to the calculation of the Dealing Price of the Distributing Units and Accumulating Units of each Sub-Fund set out in the Management Regulations.

#### 7.4 The Classes

The Management Company may decide to create within each Sub-Fund, different classes of Units (“**Class**” or “**Classes**”). All Classes belonging to the same Sub-Fund will be commonly invested in adherence with the specific investment objective of the relevant Sub-Fund but may differ with regard to eligible investors, hedging policies, fee structure, minimum subscription amount, dividend policy, Unitholder tax implications or other particular feature(s) as the Management Company shall decide. A separate Net Asset Value per Unit will be calculated for each issued Class of each Sub-Fund. The different features of each Class available within a Sub-Fund are identified in the appendix to the Prospectus relating to the Sub-Fund concerned.

The Management Company reserves the right to offer only one or several Classes of Units for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Management Company also reserves the right to adopt standards applicable to certain Classes of investors or transactions that permit or require the purchase of a particular Class of Units.

The Class to which an investor will subscribe will depend upon their particular arrangement with the Management Company.

#### 7.5 Categories of Units

The Units of a Class may further be sub-divided into categories of Units (“**Category**” or “**Categories**”) that either distribute (“**Distributing Units**”) or accumulate income (“**Accumulating Units**”) as further described in the Prospectus. Reinvesting Units (“**Reinvesting Units**”) may also be issued as also further described in the Prospectus.

The Management Company shall comply, with respect to the issuing of Units, with the laws and regulations of the countries where these Units are offered. The Management Company may, at any time, at its discretion, discontinue, cease definitely or limit the issue of Units to persons or corporate bodies resident or established in certain countries or territories. The Management Company may also prohibit certain persons or corporate bodies from acquiring Units, if such a measure is necessary for the protection of the Unitholders as a whole and the Fund.

#### 7.6 Excessive Trading Policy

Purchases of Units should be made for investment purposes only, not as an effort to generate trading profits. The Management Company, the Administration Agent and the Global Distributor do not permit market-timing or other excessive trading practices (“**Excessive Trading Practices**”) and have developed a policy intended to protect the Fund from such activity. Excessive trading practices may disrupt the investment management of the portfolio, raise the Fund’s expenses and harm Fund performance.

The Management Company, the Administration Agent and the Global Distributor generally apply a standard for review for Excessive Trading focused primarily on persons trading directly with the Fund, or indirectly through intermediaries, who make more than one purchase and one sale or one sale and one purchase involving the Fund within any 90-day calendar period. In this respect, the Management Company, the Administration Agent and the Global Distributor will take into account trading effected on behalf of multiple accounts under common ownership or control.

The policy is not intended to cover “rebalancing” transactions driven by asset allocation decisions. Further, the Management Company, the Administration Agent and the Global Distributor understand that distributors will often have daily purchase and/or sale transactions which may represent the aggregated transactions of their clients. Such transactions would not violate the Fund’s policy. However, in such circumstances, the Management Company, the Administration Agent and the Global Distributor cannot always monitor trading activity of a distributor’s individual clients and would expect, to the extent possible, the distributor to notify it where the distributor becomes aware of excessive trading activity.

In all cases, the Management Company, the Administration Agent and the Global Distributor will be responsible for determining whether the excessive trading policy has been breached. A first instance will result in a warning letter from



the Management Company, the Administration Agent or the Global Distributor and further instances may result in restrictions on transactions by the underlying Unitholder in accordance with the policy set out below.

The Management Company, the Administration Agent and the Global Distributor may:

- (a) reject at its discretion any application for Units when the Management Company, the Administration Agent or the Global Distributor deems it necessary for the protection of the Fund or when, in the opinion of the Management Company, the Administration Agent or the Global Distributor the investor is engaging in Excessive Trading Practices, has a history of excessive trading or whose trading may be disruptive to the Unitholders, or the Fund. In this respect, the Management Company, the Administration Agent and the Global Distributor will take into account trading effected on behalf of multiple accounts under common ownership or control; and
- (b) repurchase at any time the Units held by Unitholders who are excluded from purchasing or holding Units or, when, in the Management Company's, the Administration Agent's or the Global Distributor's view a Unitholder is, or has been, engaged in Excessive Trading Practices.

The Management Company, the Administration Agent and the Global Distributor will not be held liable for any gain or loss resulting from rejected instructions or compulsory repurchases.

## **8 ISSUE PRICE**

Payments for Units should be made by electronic bank transfer net of all local bank charges. Payment should be made in the currency of denomination of the relevant Sub-Fund or Class or in any of the subscription currencies of the relevant Sub-Fund or Class as described in the respective appendix to the Prospectus and to the relevant bank account as identified on the Application Form.

The subscription price must be paid by the investor and received by the Depositary within the time provided for in the appendix of the relevant sub-fund in the Prospectus and in accordance with the conditions laid down in the Prospectus from the relevant Valuation Day, subject to the Management Company's discretion to determine otherwise.

If timely settlement is not made, the Management Company retains the right to extend the settlement period or cancel such application. In any such circumstances, the Management Company is entitled to recover from the applicant any loss incurred by the relevant Sub-Fund.

Subject to the prior approval of the Management Company, payment may be made by contributing to the Fund securities acceptable to the Management Company and consistent with the investment policy and restrictions of the Fund and the relevant Sub-Fund. Such securities will be independently valued in accordance with Luxembourg law by a special report of the Fund's auditor. Subscription for Units against contribution in kind will be made at the investor's cost.

All other methods of payment are subject to the prior approval of the Management Company.

## **9 DETERMINATION OF NET ASSET VALUE**

- (1) Each Sub-Fund, and if applicable with each Class and Category, is valued daily on a Business Day. If after such valuation, in the opinion of the Management Company, there has been a material change in the quoted prices on the markets on which a substantial portion of the investments of the Fund attributable to a particular Sub-Fund is dealt or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Fund, cancel the first valuation and carry out a second valuation. In the case of such a second valuation, all issues or redemptions of Units shall be dealt with in accordance with this second valuation.
- (2) The financial statements of the Fund will be prepared in relation to each Sub-Fund in the currency of denomination of such Sub-Fund. The Net Asset Value of the Units of each Sub-Fund and each Class will be expressed in the relevant currency of the Sub-Fund or Class (where applicable) concerned and shall be determined on each Business Day by aggregating the value of securities and other assets of the Fund allocated to that Sub-Fund or where applicable to the relevant Class and deducting the liabilities of the Fund allocated to such Sub-Fund and Class. The Fund may operate equalisation arrangements.
- (3) The assets of the Fund shall be deemed to include:
  - a. all cash in hand or receivable or on deposit, including accrued interest;

- b. all bills and notes payable on demand and any amounts due (including the proceeds of securities sold but not yet collected);
- c. all securities, units, bonds, debentures, options or subscription rights and any other investments and securities belonging to the Fund;
- d. all dividends and distributions due to the Fund in cash or in kind to the extent known to the Management Company provided that the Management Company may adjust the valuation for fluctuations in the market value of securities due to trading practices such as trading ex-dividend or ex-rights;
- e. all accrued interest on any interest-bearing securities held by the Fund except to the extent that such interest is comprised in the principal thereof;
- f. the preliminary expenses of the Fund insofar as the same have not been written off; and
- g. all other permitted assets of any kind and nature including prepaid expenses.

Effect shall be given on any Business Day to any purchases or sales of securities contracted for by the Fund on such Business Day, to the extent practicable.

(4) The value of assets of the Fund shall be determined as follows:

- a. the value of any cash in hand or on deposit, discount notes, 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 Management Company may consider appropriate in such case to reflect the true value thereof;
- b. the value of all portfolio securities which are listed on an official stock exchange or traded on any other regulated market will be valued at the last available closing price on the principal market on which such securities are traded, as furnished by a pricing service approved by the Management Company. If such prices are not representative of the fair value, such securities as well as all other permitted assets, including securities which are not listed on a stock exchange or traded on a regulated market, will be valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the Management Company;
- c. all investments, cash balances and other assets of the Fund expressed in currencies other than the currency of denomination in which the Net Asset Value of the Sub-Fund is calculated, shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of Units.

(5) The liabilities of the Fund shall be deemed to include:

- a. all borrowings, bills and other amounts due;
- b. all administrative expenses due or accrued including the costs of its constitution and registration with regulatory authorities, as well as legal, audit, management, advisory, custodial, paying agency, corporate and central administration agency fees any other representatives and agents of the Fund fees and expenses, the costs of legal publications, prospectuses, financial reports and other documents made available to Unitholders, translation expenses and generally any other expenses arising from the administration of the Fund;
- c. all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the Fund and which remain unpaid;
- d. Units of the Fund in respect of which the Management Company has issued a redemption notice or in respect of which a redemption request has been received and accepted, shall be treated as existing and taken into account on the relevant Business Day, and from such time and until paid, the redemption price therefore shall be deemed to be a liability of the Fund;
- e. an appropriate amount set aside for taxes due on the date of the valuation and any other provisions or reserves authorised and approved by the Management Company; and

- f. any other liabilities of the Fund of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Fund may duly take into account all administrative and other expenses of regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

- (6) Whenever the Management Company shall offer or redeem Units, the price per Unit at which such Units shall be offered or redeemed shall be based on the Net Asset Value of the relevant Sub-Fund, and shall be divided by the number of Units, as adjusted for the number of the different Classes of the relevant Sub-Fund expected (in the light of information available at such time) to be in issue or deemed to be in issue at that time, rounded to 4 decimal places.
- (7) The Dealing Prices of the different Classes of Units in each Sub-Fund are normally calculated by dividing each Class' Unit of the Sub-Fund's net assets by the Units outstanding for that Class on each Business Day and may be further adjusted to reflect the expenses, liabilities or assets specifically attributable to each Class (including the gains/losses on and costs of the financial techniques and instruments employed for the purposes of currency hedging).
- (8) Dilution Levy – The Management Company, having due regard to the interests of the Unitholders, may, at its sole discretion, decide to charge a dilution levy for large subscriptions and/or redemptions of Units. For the purposes of the dilution levy, a conversion of Units from one Sub-Fund to another is considered as a redemption followed by a subscription. Upon review of the daily net subscription and redemption inflows/outflows, the Management Company may, at its sole discretion, impose a dilution levy in the following circumstances:
- a. in respect of Units redeemed on a particular Valuation Day, where the net redemptions of Units of the Sub-Fund in which the redemption is instructed exceed 15% in value (calculated by reference to their current price) of the issued Units of that Sub-Fund;
  - b. in respect of Units purchased on a particular Valuation Day, where the net purchases of Units of the Sub-Fund in which the purchase is instructed exceed the same percentage.

The dilution levy may also be charged in any other case where the Management Company is of the opinion that the interests of Unitholders require imposition of a dilution levy.

If charged, the results of the dilution levy will be retained by the relevant Sub-Fund and become part of the relevant Sub-Fund, by way of being embedded in the adjustment of that days published Net Asset Value price, which will include said dilution charge.

The dilution levy in favour of the relevant Sub-Fund and not exceeding 0.5% of the applicable Net Asset Value of the Units subscribed for or redeemed, may be charged if the Management Company, in its opinion, considers that the existing Unitholders (in case of subscriptions) or remaining Unitholders (in case of redemptions) might otherwise be adversely affected. In order to ensure equal treatment between Unitholders, the same rate of the dilution levy (if any) will be applied to all the investors subscribing for or redeeming (as appropriate) Units in the relevant Sub-Fund on the same Valuation Day.

## **10 SUSPENSION OF DETERMINATION OF NET ASSET VALUE**

The Management Company may temporarily suspend the determination of the Net Asset Value of any Sub-Fund and the issue and redemption of Units relating to all or any of the Sub-Funds:

- (1) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Fund's investments of the relevant Sub-Fund for the time being are quoted, is closed (other than for ordinary public holidays) or during which dealings are restricted or suspended, or
- (2) during the existence of any state of affairs which in the opinion of the Management Company constitutes an emergency, as a result of which disposals or valuation of assets attributable to investments of the relevant Sub-Fund is impractical, or
- (3) during any breakdown in, or restriction in the use of, the means of communication normally employed in determining the prices of any of the investments attributable to such Sub-Fund or the current prices or values on any market or stock exchange, or

- (4) any period when, for any other reason, the prices of any investments attributable to any Sub-Fund cannot be promptly or accurately ascertained, or
- (5) during any period when remittance of monies which will or may be involved in the realisation of, or in the payment for, any of the Fund's investments is not possible, or
- (6) in case of a decision to liquidate the Fund or a Sub-Fund in accordance with these Management Regulations, or
- (7) the period following a determination by the Management Company that there has been a material change in the valuation of a substantial proportion of the investments of any Sub-Fund, and that in order to safeguard the interests of Unitholders and the Fund, the preparation or use of a valuation may be delayed or substituted by a later or subsequent valuation, or
- (8) during any period when in the opinion of the Management Company there exist circumstances beyond the control of the Management Company where it would be impracticable, inappropriate or unfair towards the Unitholders to continue dealing in Units of all or any particular Sub-Funds of the Fund.

The Management Company shall suspend the issue and redemption of Units forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

Unitholders having requested subscription or redemption of their Units shall be notified of any such suspension within seven days of their request and will be promptly notified of the termination of such suspension. Other Unitholders will be informed by mail of any such suspension and of the termination thereof if the suspension is maintained for more than seven consecutive Business Days.

The suspension of any Sub-Fund will have no effect on the calculation of the Net Asset Value and the issue and redemption of the Units of any other Sub-Fund.

## **11 RESTRICTION OF OWNERSHIP**

The Management Company may restrict or prevent the ownership of Units by any person, firm or corporate body. Units may not be transferred except in compliance with all applicable securities laws. In particular, US persons are not authorised to buy or hold units of the Fund.

In addition, the Management Company may require the compulsory redemption of Units by any person who, in the opinion of the Management Company, are excluded from purchasing or holding Units or if ownership by such person would adversely affect the Fund or any Sub-Fund or Category or the Management Company or the Investment Manager.

## **12 REDEMPTION / CONVERSION**

### **12.1 Redemption**

#### **Procedure**

Applications for redemption shall be received and effected as indicated under "Applications and Dealing Times" in section 7.1.

A Unitholder may at any time request the redemption of all or part of its holdings in any Class or any Sub-Fund. The Units are not transferable in any other manner, including transfers or sales to third parties or to the Investment Manager (except as in accordance with "Conversion of Units").

Redemption requests shall indicate either the number of Units to be redeemed or the aggregate value of the Units to be redeemed. In the latter case, the aggregate value of Units to be redeemed, such value to be expressed in the currency applicable to the relevant Sub-Fund. The number of redeemed Units shall only be determined by the Administration Agent based on the Dealing Price per Unit of the relevant Class or Sub-Fund on the relevant Valuation Day. If the value of all the Units held by the redeeming Unitholder in the relevant Class or Sub-Fund is lower on such Valuation Day than the aggregate value indicated in the redemption request, the relevant Unitholder shall be deemed to have requested redemption of all of its Units in such Class or Sub-Fund.

Notwithstanding the above, in the event that a Unitholder wishes to redeem all (but not some only) of its Units in any Class or Sub-Fund, such Unitholder shall specify it in the redemption request and shall not indicate the aggregate value of Units to be redeemed.

Signed redemption requests may be given directly to the Administration Agent or via any authorized distributor by fax, or by post, quoting the Unitholder's Personal Account Number.

Requests for redemption shall be received and effected as indicated under "Applications and Dealing Times".

All redemptions will be acknowledged by a contract note confirming the details of the redemption.

Subject to the Management Company's discretion to determine otherwise, redemption proceeds will normally be paid within time provided for in the appendix of the relevant sub-fund in the Prospectus from the relevant Valuation Day. Please note in this context that payment may be delayed notably in case of public holiday periods such as the Chinese New Year. Payment of the redemption proceeds will be made by electronic bank transfer to an account specified by the Unitholder at the time of subscription, as updated, in the currency of denomination of the relevant Sub-Fund or Class.

If redemption instructions would result in a residual holding in any one Sub-Fund of less than the minimum holding amount as described in the appendix of the relevant Sub-Fund, the Management Company reserves the right to compulsorily redeem the residual Units at the relevant redemption price and make payment of the proceeds thereof to the Unitholder.

A redemption fee may be payable in relation to the redemption of Units as may be specified in the relevant appendix to the Prospectus relating to the Sub-Fund concerned.

### **General**

Requests for redemptions may not be withdrawn, unless cancelled pursuant to written notification received within a reasonable time prior to the Application Deadline, except in the event of a suspension or deferral of the right to redeem Units of the relevant Sub-Fund(s), for the reasons set out under "Further Information: Suspension of the Calculation of the Net Asset Value and Issue and Redemption of Units".

The Management Company shall, if the Unitholder requesting redemption so accepts, have the right to satisfy payment of the redemption price in kind by allocating to such Unitholder assets from the Sub-Fund equal in value to the value of the Units to be redeemed. The nature and type of such assets shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Unitholders and the valuation used shall be confirmed by a report of the Fund's auditor.

## **12.2 Conversion**

### **Procedure**

Applications for conversion shall be received and effected as indicated under "Applications and Dealing Times" in section 7.1.

A Unitholder may at any time request the conversion of all or part of its holdings in one Sub-Fund into Units relating to another Sub-Fund.

The basis of conversion will, in such case, be the respective Net Asset Values per Unit of the Sub-Funds concerned determined as of the relevant Valuation Day.

Conversion requests shall indicate either the number of Units to be converted or the aggregate value of the Units to be converted. In the latter case, such value to be expressed in the currency applicable to the relevant Sub-Fund. The number of converted Units shall only be determined by the Administration Agent based on the Dealing Price per Unit of the relevant Classes or Sub-Funds on the relevant Valuation Day. If the value of all Units held by the converting Unitholder in the relevant Class or Sub-Fund is lower on such Valuation Day than the aggregate value indicated in the conversion request, the relevant Unitholder shall be deemed to have requested conversion of all of its Units in such Class or Sub-Fund.

Notwithstanding the above, in the event that a Unitholder wishes to convert all (but not some only) of its Units in any Class or Sub-Fund, such Unitholder shall specify it in the conversion request and shall not indicate the aggregate value to be converted.

Signed conversion request may be given directly to the Administration Agent or via any authorized distributor by fax, or by post, quoting the Unitholder's Personal Account Number.

Requests for conversion shall be received and effected as indicated under "Applications and Dealing Times".

## General

Requests for conversions, once made, may not be withdrawn, except in the event of a suspension or deferral of the right to redeem Units of the Sub-Fund from which the conversion is to be made or deferral of the right to purchase Units of the Sub-Fund into which the Units are converted.

The proceeds of Units which are converted will be reinvested in Units relating to the Sub-Fund into which the conversion is being made.

All conversions will be acknowledged by a confirmation advice, confirming details of the conversion.

When converting Units from one Sub-Fund to another Sub-Fund, the Unitholders must meet the applicable conditions, minimum investment and minimum holding requirements. If the holding in the former Sub-Fund falls as a result of the conversion, below the minimum holding requirement, the Management Company may convert all the remaining Units held by a Unitholder in the relevant Sub-Fund.

A conversion fee may be payable in relation to the conversion of Units as may be specified in the relevant appendix to the Prospectus relating to the Sub-Fund concerned.

All conversions between Unit Classes in the same Sub-Fund may be treated the same as a conversion between the Sub-Funds.

## Conversion formula

The Management Company or the Administration Agent on its behalf determines the number of Units of the Sub-Fund into which the investor wishes to convert his existing Units in accordance with the following formula:

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

Where:

A is the number of Units relating to the new Class or Sub-Fund to which the investor shall become entitled;

B is the converted number of Units relating to the former Class or Sub-Fund as determined by the Management Company based on the aggregate value of Units to be converted indicated in the conversion request;

C is the Net Asset Value of a Unit relating to the former Sub-Fund;

D is the Net Asset Value of a Unit relating to the new Sub-Fund;

E is the currency exchange rate representing the effective rate of exchange applicable to the transfer of assets between the relevant Sub-Funds, after adjusting such rate as may be necessary to reflect the effective costs of making such transfer, provided that when the original Sub-Fund and new Sub-Fund are designated in the same currency, the rate is one.

## 12.3 Deferral of Redemptions/ Conversions

The Management Company shall not on any Business Day or in any period of seven consecutive Business Days, be bound to redeem (or convert into another Class) more than 10 per cent of the number of Units relating to any Sub-Fund then in issue. If on any Business Day, or in any period of seven consecutive Business Days, the Management Company receives requests for redemptions (or conversion) corresponding to a greater number of Units, it may declare that such redemptions (or conversions) are deferred until a Business Day not more than seven Business Days following such time. Any redemption (or conversion) requests in respect of the relevant Business Day so reduced will be effected in priority to subsequent redemption (or conversion) requests received on the succeeding Business Day, subject always to the 10 per cent limit. The limitation will be applied pro rata to all Unitholders who have requested redemptions (or conversions) to be effected on or as at such Business Day so that the proportion redeemed (or converted) of each holding so requested is the same for all such Unitholders. These limits will be used only at times when realising assets of a Sub-Fund to meet unusually heavy redemption (or conversion) requirements would create a liquidity constraint to the detriment of Unitholders remaining within the Sub-Fund.

## 12.4 Compulsory Redemptions and Amalgamation of Sub-Funds

In the event that, for any reason, the Net Asset Value of any assets relating to any Sub-Fund or Class is lower than one billion JPY (¥1,000,000,000.-) or in the case of a Sub-Fund or Class denominated in a currency other than JPY, the equivalent in that currency of such amount, or in case that Management Company deems it appropriate because of changes in the economical or political situation affecting the Fund or the relevant Sub-Fund or Class, or because it is in the best interests of the relevant Unitholders, the Management Company may redeem all (but not some) Units of the Fund or of the Sub-Fund or Class at a price reflecting the anticipated realisation and liquidation costs on such closing, but with no redemption charge, or may, merge that Sub-Fund or Class with another Sub-Fund or Class of the Fund or with another Luxembourg UCI.

The Fund and the various Sub-Funds shall be established for an unlimited period. Unitholders, their heirs and any other beneficiaries may not demand the dissolution or division of the Fund or of a Sub-Fund. The Fund may be dissolved at any time by mutual agreement of the Management Company and the Depositary. Notice must be given by announcements in the *RESA* and in two newspapers, one of which at least must be a Luxembourg newspaper. No Units may be issued, redeemed or converted after the date of such decision of the Management Company and the Depositary.

In the event of the liquidation of the Fund the Management Company shall realize the assets of the Fund in the best interest of the Unitholders, and the Depositary shall distribute the net liquidation proceeds corresponding to each Sub-Fund, after deduction of liquidation charges and expenses, to the holders of Units of each Sub-Fund in the proportion of the respective net asset values per Unit, all in accordance with the directions of the Management Company.

Liquidation proceeds not claimed by the Unitholders at the close of the liquidation of a Sub-Fund or Class will be deposited at the Caisse de Consignation in Luxembourg. If not claimed, they shall be forfeited after 30 years.

## 13 CHARGES OF THE FUND

### 13.1 Management Fee

The Management Company is entitled to a management fee out of the assets of the various Sub-Funds (the “**Management Fee**”). This fee is payable monthly in arrears and calculated on a daily basis at the annual rates described in the relevant Sub-Fund appendix of the Prospectus.

### 13.2 Investment Management and Distribution Fees (the “**Collective Fees**”)

As remuneration for the services rendered by it pursuant to the Investment Management Agreement, Sumitomo Mitsui Trust Asset Management Co., Ltd. as Investment Manager is entitled to receive from the Management Company out of the assets of the Sub-Funds an Investment Management Fee calculated daily and payable quarterly in arrears at a rate described for each Sub-Fund in the relevant appendix to the Prospectus.

As remuneration for the services rendered by it pursuant to the Global Distribution Agreement, the Global Distributor is entitled to receive from the Management Company out of the assets of the Sub-Funds a Marketing Fee calculated as described for each Sub-Fund in the relevant appendix to the Prospectus.

Any Sub-Distributor appointed by the Global Distributor is entitled to receive a fee paid by the Global Distributor to the Sub-Distributors.

### 13.3 Depositary Fee

Pursuant to the Depositary Agreement for its services as Depositary, Brown Brothers Harriman (Luxembourg) S.C.A. receives, from the Fund, an annual fee, based upon a reducing scale calculated as described for each Sub-Fund in the relevant appendix to the Prospectus. This fee is calculated and accrued on each Business Day and is payable quarterly in arrears and as agreed from time to time in writing. The Depositary shall also be entitled to receive out of the assets of the Fund any reasonable disbursements and out-of-pocket expenses (including telephone, telex, cable and postage expenses) incurred by the Depositary, and any custody charges of banks and financial institutions to whom custody of assets of the Fund is entrusted, will be borne by the Fund.

### 13.4 Administration Agent Fee

For its services as Administration Agent, Brown Brothers Harriman (Luxembourg) S.C.A. receives, from the Fund, an annual fee based upon a reducing scale calculated as described for each Sub-Fund in the relevant appendix to the Prospectus. Each Sub-Fund is, however, subject to a minimum administration fee as described for each Sub-Fund in

the relevant appendix to the Prospectus. This fee is calculated and accrued on each Business Day and is payable quarterly in arrears and as agreed from time to time in writing.

### **13.5** Operating and Administrative Expenses

In addition to the Depositary and Administrative Agent fees, the Fund pays expenses incurred in its operation including, but not limited to:

- all taxes which may be due on the assets and the income of the Fund;
- usual banking fees due on transactions involving securities held in the portfolios of the Fund;
- legal expenses incurred by the Management Company or the Depositary while acting in the interests of the Unitholders;
- the cost of preparing and/or filing and printing of these Management Regulations and all other documents concerning the Fund, including registration statements and prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units of the Fund; the cost of preparing, in such languages as are necessary for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and semi-annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the daily net asset value; the cost of preparing and distributing public notices to the Unitholders; lawyers' and auditor's fees; and all similar administrative charges, and all advertising expenses and other expenses directly incurred in offering or distributing the Units; and
- a paying agent fee based on the services provided by a paying agent where necessary.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding 5 years.

### **13.6** Allocation of Costs and Expenses

Each Sub-Fund is charged with costs and expenses specifically attributable to it. If a cost or expense is attributable solely to any particular Class of Units of a Sub-Fund, then that cost or expense will be borne by that Class. Costs and expenses not attributable to any particular Sub-Fund are allocated amongst the Sub-Funds and Classes on an equitable basis as determined by the Management Company, normally pro rata to the respective Net Asset Value of each Sub-Fund and Class.

### **13.7** Formation Costs and Expenses

The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units, including those incurred in the preparation and publication of the Prospectus, all legal and printing costs, certain launch expenses and preliminary expenses shall be written off over a period not exceeding five years from the formation of the Fund and in such amounts in each year and in each Sub-Fund as determined by the Management Company on an equitable basis.

Charges relating to the creation of a new Sub-Fund shall be written off over a period not exceeding five years against the assets of that Sub-Fund and in such amounts in each year as determined by the Management Company on an equitable basis. The newly created Sub-Fund may bear a pro rata share of the costs and expenses incurred in connection with the formation of the Fund which have not already been written off at the time of the creation of the new Sub-Fund.

## **14 FINANCIAL YEAR, AUDIT**

The financial year of the various Sub-Funds of the Fund shall terminate as at 31 March in each year.

The audit of accounting information in respect of the Fund is entrusted to an auditor appointed by the Management Company.

These duties are currently entrusted to Deloitte Audit Sàrl, 20, Boulevard de Kockelscheuer, L-2220 Luxembourg.

The first annual report of the Fund covered the financial year ending on 31 March 2019.

The first unaudited semi-annual report covered the period from the establishment of the Fund to 30 September 2018.



## **15 DISTRIBUTIONS**

### **15.1 Distributing Units**

The Management Company may distribute, any net investment income, and net realised capital gains, attributable to Distributing Units, subject to a resolution of the Board of Directors which will decide whether and to what extent dividends should be distributed. Eventual distributions are made to holders of Distributing Units registered at the close of business, in principle, on the record date. The record date and the ex-dividend date will be consecutive Business Days.

Dividends will be paid by electronic bank transfer to an account specified by the Unitholder at the time of subscription, as updated.

Distributions not claimed within five years from their due date will lapse and will revert to the relevant Class of the relevant Sub-Fund.

### **15.2 Accumulating Units**

For this Category of Units, the Management Company does not intend to declare dividends. The portion of the Sub-Fund's net investment income, which is attributable to such Units, will be retained. The price of the Units of such Category will thereby reflect the capitalization of the net investment income attributable to them.

### **15.3 Reinvesting Units**

Dividends for Reinvesting Units are calculated in the same way as for the Distributing Units. Any Reinvesting Unit entitles its Unitholder to receive a cash dividend on such dates and at such amounts as for "Distributing Units". However, except if otherwise instructed by written notification to be received by the Administration Agent at least two month prior to a specified dividend payment date, each Unitholder, in investing in such Reinvesting Units, agrees and instructs the Management Company that any cash dividends paid from the assets of the Sub-Fund shall be reinvested as soon as reasonably practicable to subscribe for additional Units of such Sub-Fund.

Where distribution payments are to be made in a currency other than in the currency of denomination, the Administration Agent will arrange a currency transaction to convert the distribution payment to the specified currency or (where no specific request has been received) the currency in which the original subscription was made. Such currency transaction(s) will be effected at the Unitholders' expense.

All dividend payments will be announced in a national newspaper of any country in which the Sub-Fund is authorised for public distribution, or using such other means, as the Management Company may determine.

## **16 AMENDMENT OF THE MANAGEMENT REGULATIONS**

The Management Company may, upon approval of the Depositary, amend these Management Regulations at any time in whole or in part.

Amendments will, unless otherwise specified, become effective upon their execution by the Depositary and the Management Company.

## **17 PUBLICATIONS**

The audited annual report and the unaudited semi-annual report of the Fund are made available to the Unitholders at the registered offices of the Management Company and the Depositary.

The deposit of any restated version of these Management Regulations with the Luxembourg Trade and Companies Register will be published in the *RESA*.

## **18 DURATION OF THE FUND, LIQUIDATION, MERGER**

The Fund exists for an unlimited duration.

In the event of a dissolution of the Fund, liquidation shall be carried out by one or several liquidators (who may be physical persons or legal entities) named by the Management Company effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Sub-Fund shall be distributed by the liquidators to the holders of Units of each Sub-Fund in proportion of their holding of Units in such Sub-Fund.

The Management Company may by resolution of the Board of Directors in accordance with the following conditions decide to contribute the Fund or a Sub-Fund to another UCI which is managed by the same or another management company. A merger may be decided in the following situations:

- if the net assets of the Fund respectively of a Sub-Fund on a given Business Day fall below a level below which it seems no longer possible to manage the Fund respectively the Sub-Fund in an economically reasonable manner. The Management Company has set this amount to one billion JPY (¥1,000,000,000.-) for each Sub-Fund, or in the case of a Sub-Fund or Class denominated in a currency other than JPY, the equivalent in that currency of such amount,
- if, due to substantial changes in the economic or political situation affecting the Fund or the Sub-Fund or for other reasons of economic profitability, it seems that the Fund respectively the Sub-Fund may no longer be managed in an economically reasonable way.

Such a merger is only possible if the investment policy of the contributing Fund or Sub-Fund is not contrary to the investment policy of the absorbing UCI. The merger results in the liquidation of the contributing Fund or Sub-Fund and a concurrent take-over of all assets by the absorbing UCI.

The resolution of the Board of Directors of the Management Company to merge the Fund or a Sub-Fund shall be published in each jurisdiction in which the Units of the contributing Fund or Sub-Fund are distributed in the newspaper to be determined by the Management Company.

The Unitholders of the contributing Fund or Sub-Fund may during a period of 30 days redeem all or part of their Units without cost at the applicable Net Asset Value per Unit in accordance with the procedure described in these Management Regulations. The Units of Unitholders who have not redeemed their Units shall on the effective date of the merger receive Units of the absorbing UCI on the basis of their Unit holding. The case being a cash payment corresponding to any fractions of Units can be made to Unitholders.

The before-mentioned rules also apply to the merger of two Sub-Funds within the same Fund.

## **19 STATUTE OF LIMITATION**

Claims of Unitholders against the Management Company or the Depositary will lapse five years after the date of the event giving rise to such claims (except that claims by Unitholders on the proceeds of liquidation to which they are entitled, shall lapse in accordance with the provisions of Luxembourg Law).

## **20 APPLICABLE LAW, JURISDICTION AND GOVERNING LANGUAGE**

Disputes arising among or between the Unitholders, the Management Company and the Depositary will be settled according to Luxembourg law and subject to the jurisdiction of the competent court in Luxembourg, provided, however, that the Management Company and the Depositary may submit themselves and the Fund to the jurisdiction of the competent courts of such other countries where Units are offered and sold and, with respect to matters relating to subscription and redemption, or other claims related to their holdings by residents in such countries, to the laws of such countries. English shall be the governing language for these Management Regulations.

Originally executed in Luxembourg on 25 May 2018 and amended for the last time on 16 July 2024.

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FundRock Management Company S.A.

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Brown Brothers Harriman (Luxembourg) S.C.A.