

Morgan Stanley
Investment Funds

*Société d'Investissement
à Capital Variable
Luxembourg ("SICAV")*

Prospectus

October 2016

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Prospectus of the Morgan Stanley Investment Funds

Société d'Investissement à Capital Variable Luxembourg ("SICAV")

Morgan Stanley Investment Funds (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the Law of 17 December 2010 on undertakings for collective investment (the "2010 Law"). Such registration however does not imply a positive assessment by the supervisory authority of the quality of the shares of the Company (the "Shares") offered for sale. Any representation to the contrary is unauthorised and unlawful. The Company is an Undertaking for Collective Investment in Transferable Securities ("UCITS") for the purpose of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended (the "UCITS Directive"). The Company has appointed Morgan Stanley Investment Management (ACD) Limited as management company (the "Management Company").

The Luxembourg law of 4 June 2009 transposing the Oslo Convention on Cluster Munitions introduced in article 3 a prohibition on the financing, with full knowledge, of cluster munitions and explosive sub-munitions. As such both the Management Company and the Company have adopted a policy designed to comply with the abovementioned Luxembourg law.

Subscriptions can be accepted only on the basis of the current prospectus (the "Prospectus"), which is valid only if accompanied by a copy of the latest Annual Report containing the audited accounts, and of the semi-annual report if such report is published after the latest Annual Report. These reports form an integral part of the Prospectus.

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

No person is authorised to make any representation other than as contained in the Prospectus or in the documents referred to in the Prospectus. Such documents are available to the public at the registered office of Morgan Stanley Investment Funds, Luxembourg.

This Prospectus was prepared in English and may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as the English language document. Where there is any inconsistency between the English language document and the document in another language, the English language document shall

prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold, so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

Important: If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

The Company may, if, in the opinion of the Directors of the Company (the “Directors”), it is likely to be fiscally beneficial for the Company, invest via one or more wholly-owned subsidiaries located in any jurisdiction in the world.

The distribution of this Prospectus and the offering of the shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to make application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions.

In particular, the Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (nor has the Company been registered under the United States Investment Company Act of 1940, as amended) and may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof other than in accordance with the laws of the United States.

Similarly, the Shares of the Morgan Stanley Investment Funds Indian Equity Fund may not be offered or sold, directly or indirectly, to persons resident in India.

The Management Company has appointed a distributor (the “Distributor”) for marketing the Shares and the Distributor may appoint sub-distributors (each a “distributor”). The duties of the distributors may include passing the subscription, redemption and conversion orders to the Company’s central administration in Luxembourg. The distributors may not offset the orders received or carry out any duties connected to the individual processing of the subscription, redemption and conversion orders. In addition, any investor may deal directly with the Management Company in order to subscribe for, redeem or convert Shares.

The Directors have taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The Directors accept responsibility accordingly. However, the Directors do not accept responsibility with regard to the content of the Prospectus or any information relating to the Shares other than to the Shareholders of the Company.

Any information given by any person not mentioned in the Prospectus should be regarded as unauthorised. The information contained in the Prospectus is considered to be accurate at the date

of its publication. To reflect material changes, this document may be updated from time to time and potential subscribers should enquire of the Company as to the issue of any later Prospectus.

It should be remembered that the price of the Shares can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to a Sales Charge or transaction charge. Changes in exchange rates may also cause the value of Shares in the investor’s base currency to go up or down.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis¹. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point (as defined below).

The Company’s Funds, with the exception of the US Dollar Liquidity Fund, are not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Company’s Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

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

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

Such measures may include the imposition of a redemption fee on the redemption proceeds of Shareholders whom the Management Company determines to have engaged in such activities, or the imposition of limits on the number of conversions of Shares between Funds which are permitted, as described under “Redemption of Shares” and “Conversion of Shares”.

Potential subscribers or purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.

¹ However, please refer to Section 2.7 for details on determination of the Net Asset Value of the Funds including the US Dollar Liquidity Fund and exceptional processes which may apply to the Liquid Alternatives Fund.

Definitions

All references in the Prospectus to:

- “Business Day” refer to any day on which banks are open for business in London, Luxembourg, Mauritius, New York and Tokyo as the case may be;
- “CET” refer to Central European Time;
- “Contingent Convertible Instrument” means a debt security which may be converted into equity securities or suffer capital losses through decreasing its face value if pre-specified events occur, depending in particular on the capital ratio levels of the issuer of the security;
- “Controlling Person” means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations;
- “Cut-Off Point” refer to the time by which the Transfer Agent must receive applications for subscription, conversion or redemption in respect of a Dealing Day for such application to be processed on such Dealing Day. This shall mean 1 pm CET on a Dealing Day for all Funds;
- “Dealing Day” refer to any full Luxembourg Business Day for all Funds;
- “Euro” refer to the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Economic Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992);
- “Eurozone” refer to those member states of the European Union which have adopted the Euro as their national currency;
- “Fixed Income Securities” shall mean:
 - i. transferable securities other than equity securities; and
 - ii. money market instruments.

For the avoidance of doubt, this includes:

- i. both fixed and floating rate instruments;
- ii. debt securities of any type, including all types of bonds and debentures, and including securitised debt of any type, including asset backed securities, whether backed by

mortgages (“mortgage backed securities”) or other receivables such as credit card debt or other loans that have been securitised; and

- iii. all instruments that can be considered money market instruments, including without limitation commercial paper, loan participations and loan assignments.

For these purposes subordinated and/or hybrid securities, convertible bonds and Contingent Convertible Instruments are considered to be “transferable securities other than equity securities”.

For the avoidance of doubt, this definition shall only include instruments of the above types that are also Eligible Assets for investments of UCITS, subject to the provisions of Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions (the “Directive 2007/16/EC”);

- “JPY” or “Yen” refer to the currency of Japan;
- the “Law” refer to the laws of the Grand Duchy of Luxembourg;
- “Located” means the Investment Adviser’s opinion on where an issuer is located, for the purposes of a specific Fund. This may differ from Fund to Fund. The Investment Adviser’s opinion will be based on one or more of the following factors:
 - i. The primary market on which the issuer’s equity securities are listed, quoted or traded;
 - ii. The issuer’s country of incorporation;
 - iii. The issuer’s country of domicile;
 - iv. The countries from which the issuer derives its revenue;
 - v. Any other factors which the Investment Adviser, acting reasonably, considers denote an economic exposure to a particular location;
- “Moody’s” mean Moody’s Investors Service, Inc.;
- “Net Asset Value” or “NAV” refer to the net asset value of the Funds or the Classes within a Fund depending on the context;
- “Reference Currency” refer to the reference currency as defined for each fund under Section 1.1 “The Company and the Funds” of this Prospectus;
- “S&P” means Standard & Poor’s Corporation;
- “Sterling” or “£” refer to the currency of the United Kingdom;

- “Stock Connect” means the Shanghai-Hong Kong Stock Connect program which allows non-Chinese investors to purchase certain Shanghai Stock Exchange-listed equities via brokers in Hong Kong and/or any other similar stock connect program between another city of the People’s Republic of China and Hong Kong when it becomes available to, and can be utilised by, the Company;
- “USD”, “US\$”, “US Dollars” and “\$” refer to the currency of the United States of America; and
- “VaR” refer to Value at Risk.

Section 1

1.1 The Company and the Funds

THE COMPANY

The Company is an open-ended investment company with variable capital ("*société d'investissement à capital variable*") incorporated in Luxembourg with limited liability under Part I of the 2010 Law. The Company is presently structured to provide both institutional and individual investors with a variety of funds (hereinafter referred to collectively as the "Funds" or singularly as a "Fund"). The Company offers a range of equity, bond, liquidity, asset allocation and alternative investment funds denominated in the currencies specified below (the "Reference Currencies").

Some Funds are authorised to use derivatives and efficient portfolio management techniques as an important part of their investment strategies as described in the Funds' investment objectives. For the purpose of the UCITS Directive and the European and Luxembourg regulation following therefrom (the "UCITS Regulations") as applicable to the Company, these Funds are classified according to the methodology adopted by the Management Company in order to calculate the global risk exposure of each Fund. Such a classification can be found under Section 1.3 "Methodology for Calculating the Global Exposure".

Equity Funds

Morgan Stanley Investment Funds Asia Opportunity Fund, (Reference Currency: USD) (the "Asia Opportunity Fund")

Morgan Stanley Investment Funds Asian Equity Fund, (Reference Currency: USD) (the "Asian Equity Fund")

Morgan Stanley Investment Funds Asia-Pacific Equity Fund, (Reference Currency: USD) (the "Asia-Pacific Equity Fund")

Morgan Stanley Investment Funds Asian Property Fund, (Reference Currency: USD) (the "Asian Property Fund")

Morgan Stanley Investment Funds Breakout Nations Fund, (Reference Currency: USD) (the "Breakout Nations Fund")

Morgan Stanley Investment Funds Emerging Europe, Middle East and Africa Equity Fund, (Reference Currency: Euro) (the "Emerging Europe, Middle East and Africa Equity Fund")

Morgan Stanley Investment Funds Emerging Leaders Equity Fund, (Reference Currency: USD) (the "Emerging Leaders Equity Fund")

Morgan Stanley Investment Funds Emerging Markets Equity Fund, (Reference Currency: USD) (the "Emerging Markets Equity Fund")

Morgan Stanley Investment Funds European Champions Fund, (Reference Currency: Euro) (the "European Champions Fund")

Morgan Stanley Investment Funds European Equity Alpha Fund, (Reference Currency: Euro) (the "European Equity Alpha Fund")²

Morgan Stanley Investment Funds European Property Fund, (Reference Currency: Euro) (the "European Property Fund")

Morgan Stanley Investment Funds Eurozone Equity Alpha Fund, (Reference Currency: Euro) (the "Eurozone Equity Alpha Fund")

Morgan Stanley Investment Funds Frontier Emerging Markets Equity Fund, (Reference Currency: USD) (the "Frontier Emerging Markets Equity")

Morgan Stanley Investment Funds Global Active Factor Equity Fund, (Reference Currency: USD) (the "Global Active Factor Equity Fund")

Morgan Stanley Investment Funds Global Advantage Fund, (Reference Currency: USD) (the "Global Advantage Fund")

Morgan Stanley Investment Funds Global Brands Fund, (Reference Currency: USD) (the "Global Brands Fund")

Morgan Stanley Investment Funds Global Brands Equity Income Fund, (Reference Currency: USD) (the "Global Brands Equity Income Fund")

Morgan Stanley Investment Funds Global Discovery Fund, (Reference Currency: USD) (the "Global Discovery Fund")

Morgan Stanley Investment Funds Global Infrastructure Fund, (Reference Currency: USD) (the "Global Infrastructure Fund")

Morgan Stanley Investment Funds Global Opportunity Fund, (Reference Currency: USD) (the "Global Opportunity Fund")

Morgan Stanley Investment Funds Global Property Fund, (Reference Currency: USD) (the "Global Property Fund")

Morgan Stanley Investment Funds Global Quality Fund, (Reference Currency: USD) (the "Global Quality Fund")

Morgan Stanley Investment Funds Indian Equity Fund, (Reference Currency: USD) (the "Indian Equity Fund")

Morgan Stanley Investment Funds International Equity (ex US) Fund, (Reference Currency: USD) (the "International Equity (ex US) Fund")

Morgan Stanley Investment Funds Japanese Equity Fund, (Reference Currency: Yen) (the "Japanese Equity Fund")

Morgan Stanley Investment Funds Latin American Equity Fund, (Reference Currency: USD) (the "Latin American Equity Fund")

Morgan Stanley Investment Funds US Active Factor Equity Fund, (Reference Currency: USD) (the "US Active Factor Equity Fund")

Morgan Stanley Investment Funds US Advantage Fund, (Reference Currency: USD) (the "US Advantage Fund")

Morgan Stanley Investment Funds US Growth Fund, (Reference Currency: USD) (the "US Growth Fund")

Morgan Stanley Investment Funds US Insight Fund, (Reference Currency: USD) (the "US Insight Fund")

Morgan Stanley Investment Funds US Mid Cap Growth Fund, (Reference Currency: USD) (the "US Mid Cap Growth Fund")³

Morgan Stanley Investment Funds US Property Fund, (Reference Currency: USD) (the "US Property Fund")

Bond Funds

Morgan Stanley Investment Funds Absolute Return Fixed Income Fund, (Reference Currency: EUR) (the "Absolute Return Fixed Income Fund")

Morgan Stanley Investment Funds Asian Fixed Income Opportunities Fund, (Reference Currency: USD) (the "Asian Fixed Income Opportunities Fund")

² The reference currency of the European Equity Alpha Fund is Euro. However, Class Z Shares denominated in GBP may also be offered at the Management Company's discretion.

³ The US Mid Cap Growth Fund is not available for subscription at the date of this Prospectus. The Fund may be launched at the Directors' discretion, at which time, confirmation of the launch of the US Mid Cap Growth Fund will be made available at the registered office of the Company.

Morgan Stanley Investment Funds Emerging Markets Corporate Debt Fund, (Reference Currency: USD) (the “Emerging Markets Corporate Debt Fund”)

Morgan Stanley Investment Funds Emerging Markets Debt Fund, (Reference Currency: USD) (the “Emerging Markets Debt Fund”)

Morgan Stanley Investment Funds Emerging Markets Domestic Debt Fund, (Reference Currency: USD) (the “Emerging Markets Domestic Debt Fund”)

Morgan Stanley Investment Funds Emerging Markets Fixed Income Opportunities Fund, (Reference Currency: USD) (the “Emerging Markets Fixed Income Opportunities Fund”)

Morgan Stanley Investment Funds Euro Bond Fund, (Reference Currency: Euro) (the “Euro Bond Fund”)

Morgan Stanley Investment Funds Euro Corporate Bond Fund, (Reference Currency: Euro) (the “Euro Corporate Bond Fund”)

Morgan Stanley Investment Funds Euro Strategic Bond Fund, (Reference Currency: Euro) (the “Euro Strategic Bond Fund”)

Morgan Stanley Investment Funds European Currencies High Yield Bond Fund, (Reference Currency: Euro) (the “European Currencies High Yield Bond Fund”)

Morgan Stanley Investment Funds Global Bond Fund, (Reference Currency: USD) (the “Global Bond Fund”)

Morgan Stanley Investment Funds Global Buy and Hold 2020 Bond Fund, (Reference Currency: Euro) (the “Global Buy and Hold 2020 Bond Fund”)⁴

Morgan Stanley Investment Funds Global Buy and Maintain Bond Fund, (Reference Currency: Sterling) (the “Global Buy and Maintain Bond Fund”)⁵

Morgan Stanley Investment Funds Global Convertible Bond Fund, (Reference Currency: USD) (the “Global Convertible Bond Fund”)

Morgan Stanley Investment Funds Global Credit Fund, (Reference Currency: USD) (the “Global Credit Fund”)

Morgan Stanley Investment Funds Global Fixed Income Opportunities Fund, (Reference Currency: USD) (the “Global Fixed Income Opportunities”)

Morgan Stanley Investment Funds Global High Yield Bond Fund, (Reference Currency: USD) (the “Global High Yield Bond Fund”)

Morgan Stanley Investment Funds Global Mortgage Securities Fund, (Reference Currency: USD) (the “Global Mortgage Securities Fund”)

Morgan Stanley Investment Funds Global Premier Credit Fund, (Reference Currency: USD) (the “Global Premier Credit Fund”)

Morgan Stanley Investment Funds Short Maturity Euro Bond Fund, (Reference Currency: Euro) (the “Short Maturity Euro Bond Fund”)

Morgan Stanley Investment Funds US Dollar Corporate Bond Fund, (Reference Currency: USD) (the “US Dollar Corporate Bond Fund”)

Morgan Stanley Investment Funds US Dollar High Yield Bond Fund, (Reference Currency: USD) (the “US Dollar High Yield Bond Fund”)

Morgan Stanley Investment Funds US Dollar Short Duration Bond Fund, (Reference Currency: USD) (the “US Dollar Short Duration Bond Fund”)

Morgan Stanley Investment Funds US Dollar Short Duration High Yield Bond Fund, (Reference Currency: USD) (the “US Dollar Short Duration High Yield Bond Fund”)

Liquidity Fund

Morgan Stanley Investment Funds US Dollar Liquidity Fund, (Reference Currency: USD) (the “US Dollar Liquidity Fund”)

Asset Allocation Funds

Morgan Stanley Investment Funds Diversified Alpha Plus Fund, (Reference Currency: Euro) (the “Diversified Alpha Plus Fund”)

Morgan Stanley Investment Funds Diversified Alpha Plus Low Volatility Fund, (Reference Currency: Euro) (the “Diversified Alpha Plus Low Volatility Fund”)

Morgan Stanley Investment Funds Global Balanced Defensive Fund, (Reference Currency: Euro) (the “Global Balanced Defensive Fund”)

Morgan Stanley Investment Funds Global Balanced Fund, (Reference Currency: Euro) (the “Global Balanced Fund”)

Morgan Stanley Investment Funds Global Balanced Income Fund (Reference Currency: Euro) (the “Global Balanced Income Fund”)

Morgan Stanley Investment Funds Global Balanced Risk Control Fund of Funds, (Reference Currency: Euro) (the “Global Balanced Risk Control Fund of Funds”)

Morgan Stanley Investment Funds Global Multi-Asset Income Fund (Reference Currency: Euro) (the “Global Multi-Asset Income Fund”)

Alternative Investment Funds

Morgan Stanley Investment Funds Liquid Alpha Capture Fund (Reference Currency: USD) (the “Liquid Alpha Capture Fund”)

Morgan Stanley Investment Funds Liquid Alternatives Fund (Reference Currency: USD) (the “Liquid Alternatives Fund”)

⁴ The Global Buy and Hold 2020 Bond Fund is not available for subscription at the date of this Prospectus. The Fund may be launched at the Directors' discretion, at which time, confirmation of the launch of the Global Buy and Hold 2020 Bond Fund will be made available at the registered office of the Company.

⁵ The Global Buy and Maintain Bond Fund is not available for subscription at the date of this Prospectus. The Fund may be launched at the Directors' discretion, at which time, confirmation of the launch of the Global Buy and Maintain Bond Fund will be made available at the registered office of the Company.

1.2 Investment Objectives and Policies

The purpose of the Company is to provide investors with an opportunity for investment in a professionally managed fund range which seeks to spread investment risks in order to achieve an optimum return from the capital invested.

For this purpose the Company offers a range of Funds which allow investors to make their own strategic allocation by combining holdings in the various Funds in proportions of their own choosing. These Funds are designed to be suitable for sophisticated investors and investors who take investment advice, in each case, as part of a diversified portfolio. Funds will not be offered for sale to the public in a given jurisdiction until all proper authorisations in the relevant jurisdiction are obtained.

Each of the Funds is managed in accordance with the investment and borrowing restrictions specified in Appendix A.

The Funds are authorised to use derivatives either for hedging or efficient portfolio management purposes or as part of their investment strategies as described in the Funds' investment objectives. Unless stated otherwise in the investment objectives of a Fund, a Fund which uses derivatives will do so for hedging and/or efficient portfolio management purposes only. Funds using derivatives will do so within the limits specified in Section 3 of Appendix A. **Investors should refer to Section 1.5 "Risk Factors" for special risk considerations applicable to derivatives. The Funds may gain exposure to eligible financial indices or reference assets which are in line with their investment objectives through one or several total return swaps ("TRS") or similar financial derivative instruments. The Funds will only enter into such transactions with leading regulated financial institutions specialised in such types of transactions. None of the counterparties will have**

discretion over the composition or management of the portfolio of the Fund or the underlying assets of the financial derivative instruments.

The Funds are authorised to employ efficient portfolio management techniques within the limits specified in Section 3 of Appendix A. **The attention of investors is drawn to the fact that all Funds may from time to time use efficient portfolio management techniques such as securities lending and repurchase and reverse repurchase transactions. Investors should refer to Section 1.5 "Risk Factors" for special risk considerations applicable to efficient portfolio management techniques and derivatives.**

An investment in any of the Company's Funds is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. Each Fund is not intended to be a complete investment programme and investors should consider their long term investment goals and financial needs when making an investment decision about a particular Fund. An investment in the Company's Funds is intended to be a medium-long term investment with the exception of the US Dollar Liquidity Fund. Funds should not be used as trading vehicle.

GENERAL INFORMATION RELATING TO THE FUNDS

The term "limited extent" will refer to a level equal to that of 10% or less of the actually invested assets (net assets after deducting cash and cash equivalents) of each Fund. Individual Funds may impose different levels and these will be outlined in the objectives for that Fund.

If a currency is mentioned in brackets in the name of a Fund, such currency is the reference currency of such Fund and is used for performance measurement and accounting purposes. It may differ from the investment currency of the Fund.

All Funds may hold cash, including placing cash on deposit and/or invest in cash equivalents such as money market instruments. Money market instruments include without limitation commercial paper, certificates of deposit and short term government bonds. All Funds may also invest in short-term money market funds and

money market funds as defined by CESR's Guidelines on a common definition of European money market funds dated 19 May 2010 (CESR/10-049) (Short-Term Money Market Funds and Money Market Funds). This may include investment in the US Dollar Liquidity Fund and/or any sub-funds of the Morgan Stanley Liquidity Funds or any other Short-Term Money Market Funds and Money Market Funds managed by the Investment Advisers or any of the Sub-Advisers.⁶

The Russian Trading Stock Exchange and the Moscow Interbank Currency Exchange are the only exchanges in the Russian Federation that qualify as Recognised Exchanges within the meaning of Article 41 (1) of the 2010 Law.

The Funds may invest in China A-Shares via Stock Connect to the extent authorised under their investment objective. Investors of the relevant Funds should refer to Section 1.5 "Risk Factors" for special risk considerations applicable to investment in China A-Shares via Stock Connect.

There can be no guarantee that the investment objectives of the Funds will be met.

Investors should consult the key investor information document of the relevant Class of Share, for information relating to historic performance.

EQUITY FUNDS

The various Equity Funds have the following objectives:

ASIAN EQUITY FUND

The Asian Equity Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, through investment primarily in the equity securities of companies, for the avoidance of doubt including closed-end Real Estate Investment Trusts (REITs), domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan, thereby taking advantage of the dynamic economic growth capabilities of the region. The Fund invests in developed and emerging markets of the region, such as South Korea, Taiwan, Singapore, Malaysia, Hong Kong and Thailand but additional opportunities are also sought, whenever regulations permit, in any of the emerging markets and frontier markets in Asia.

The Fund may also invest on an ancillary basis in depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), International Depositary Receipts (IDRs) and European Depositary Receipts (EDRs)), debt securities convertible into common shares, preference shares, debentures, participatory notes, warrants, China A-Shares via Stock Connect and to a limited extent the Fund may also invest in collective

investment schemes including closed-end funds and the Company's Funds, ETFs and securities not widely traded. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Profile of the typical investor

In light of the Asian Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASIA OPPORTUNITY FUND

The Asia Opportunity Fund's investment objective is to seek long term appreciation, measured in US Dollars.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)), of issuers Located in Asia, excluding Japan, and China A-Shares via Stock Connect.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs.

The Fund will invest in a diversified portfolio of companies using in-depth bottom-up fundamental company research. The investment process relies on a disciplined approach to identify companies with sustainable competitive advantages and the ability to redeploy capital at a high rate of return. The Investment Adviser aims to buy these issuers at large discounts, to the Investment Adviser's opinion, of their intrinsic value.

⁶ The Morgan Stanley Liquidity Funds (including all of their sub-funds) are not approved for distribution to non-qualified investors in Switzerland.

Profile of the typical investor

In light of the Asia Opportunity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASIA-PACIFIC EQUITY FUND

The Asia-Pacific Equity Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, through investment primarily in the equity securities of companies, for the avoidance of doubt including closed-end Real Estate Investment Trusts (REITs), domiciled in or exercising the predominant part of their economic activity in the Asia-Pacific region, excluding Japan, thereby taking advantage of the dynamic economic growth capabilities of the region. The Fund invests in developed and emerging markets of the region, such as Australia, China, Hong Kong, India, Indonesia, South Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand, but additional opportunities are also sought in the region, whenever regulations permit, in any of the emerging markets and frontier markets in Asia.

The Fund may also invest on an ancillary basis in depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), International Depositary Receipts (IDRs) and European Depositary Receipts (EDRs)), debt securities convertible into common shares, preference shares, debentures, participatory notes, warrants, China A-Shares via Stock Connect and to a limited extent the Fund may also invest in collective investment schemes including closed-end funds and the Company's Funds, ETFs and securities not widely traded. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Profile of the typical investor

In light of the Asia-Pacific Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASIAN PROPERTY FUND

The Asian Property Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing in equity securities of companies in the real estate industry located throughout Asia and Oceania. Companies in the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property and collective investment vehicles with exposure to property such as publicly quoted property unit trusts, closed-end Real Estate Investment Trusts (REITs) and undertakings for collective investment. By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management expenses of the underlying collective investment vehicles. The Fund may also invest, on an ancillary basis in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments.

Profile of the typical investor

In light of the Asian Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

BREAKOUT NATIONS FUND

The investment objective of the Breakout Nations Fund is to seek to maximise total return measured in US Dollars primarily through investment in Emerging and Frontier Market Countries.

"Emerging and Frontier Market Countries", for the purposes of this Fund, are those countries in the world that do not form a part of the MSCI World Index, provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. To achieve its primary investment in Emerging and Frontier Market Countries, the Fund may invest in:

- equity securities of companies organised and located in Emerging and Frontier Market Countries and other equity linked instruments issued by issuers located in Developed Markets but providing exposure to Emerging and Frontier Market Countries (for example depositary receipts including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)); and
- other equity securities of companies organised and located in Developed Market countries (for the purposes of this Fund, as

defined by the MSCI World Index) where the value of the company's securities will reflect principally conditions in an Emerging and Frontier Market Country, or where the principal securities trading market for such is in an Emerging and Frontier Market Country, or where at the time of purchase 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Emerging and Frontier Market Country; or

- currencies of Emerging and Frontier Market Countries.

The Fund may also invest on an ancillary basis, in Fixed Income Securities including debt securities convertible into common shares and preference shares and participatory notes, in each case to gain exposure to Emerging and Frontier Market Countries. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of collective investment schemes, including the Company's Funds and open-ended ETFs.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Profile of the typical investor

In light of the Breakout Nation Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long-term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING EUROPE, MIDDLE EAST AND AFRICA EQUITY FUND

The Emerging Europe, Middle East and Africa Equity Fund's investment objective is to seek long term capital appreciation, measured in Euro, by investing primarily in equity securities of issuers in Central, Eastern and Southern Europe, the Middle East and Africa. The Fund may also invest on an ancillary basis in debt securities convertible into common shares and other equity linked investments of such issuers as well as in equity, equity-linked and Fixed Income Securities of issuers in the Central Asian states of the former Soviet Union. For the avoidance of doubt, investment in

equity securities of issuers in the Russian Federation shall be deemed to be investments in the equity securities of issuers in Central, Eastern and Southern Europe. The markets of countries invested in must be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41 (1) of the 2010 Law. Investments in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in non-listed securities (subject to Appendix A – Investment Powers and Restrictions) until such time as such exchanges are deemed to be Recognised Exchanges.

Profile of the typical investor

In light of the Emerging Europe, Middle East and Africa Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING LEADERS EQUITY FUND

The Emerging Leaders Equity Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, through investment primarily in a concentrated portfolio of equity securities in emerging and frontier countries. Such countries include Argentina, Bahrain, Bangladesh, Botswana, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Estonia, Greece, Hungary, India, Indonesia, Jamaica, Jordan, Kazakhstan, Kenya, Lebanon, Lithuania, Malaysia, Mauritius, Mexico, Nigeria, Oman, Pakistan, the Philippines, Poland, Portugal, Qatar, Romania, the Russian Federation, Serbia, Slovenia, South Africa, South Korea, Sri Lanka, Taiwan, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Venezuela, Vietnam and Zimbabwe, provided that the markets of these countries are considered to be regulated exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging and frontier markets in which it invests. Investments in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in securities that do not comply with article 41 (1) of the 2010 Law (see Appendix A – Investment Powers and Restrictions) until such time as such exchanges are deemed to be Recognised Exchanges. The Fund may invest in the equity securities (including American Depositary Receipts) of companies organised and located in countries other than an emerging or frontier market where the value of the company's securities will reflect principally conditions in an emerging or frontier country, or where the principal securities trading market for which is in an

emerging or frontier country, or where 35% of the company's revenue, sales, EBITDA or profit before tax is derived from either goods produced, sales made or services performed in emerging or frontier countries. The Fund may invest in participatory notes that may be used to gain exposure to securities and markets which may not be efficiently accessed through direct investment. Exposure to participatory notes will not exceed 45% of the actually invested assets (gross assets after deducting cash and cash equivalents).

On an ancillary basis the Fund may invest in cash, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments, China A-Shares via Stock Connect and, for the purpose of efficient portfolio management (including hedging), exchange traded and over-the-counter options, futures and other derivatives. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The fund will limit the use of derivatives to efficient portfolio management and for hedging purposes only.

Profile of the typical investor

In light of the Emerging Leaders Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS EQUITY FUND

The Emerging Markets Equity Fund's investment objective is to seek to maximise total return, measured in US Dollars, through investment primarily in emerging market country equity securities. The Fund will principally invest in those emerging market countries in which the Company believes that economies are developing strongly and in which the markets are becoming more sophisticated. "Emerging Market" countries, for the purposes of this Fund, are as defined by the MSCI Emerging Market Index, provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. To achieve its principal investment in Emerging Market countries, the Fund may invest in the securities of companies organised and located in Emerging Market countries and may also invest in the securities of companies organised and located in Developed Market countries (for the purposes of this Fund, as defined by MSCI World) where the value of the company's securities will reflect principally conditions in an emerging country, or where the principal securities trading market for which is in an emerging country, or where at the time of

purchase 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in emerging countries, or in other equity linked instruments located in Developed Markets but providing exposure to Emerging Markets (for example depository receipts) ("EM Exposed Securities").

The Fund may invest on an ancillary basis in eligible Frontier Markets equity (meaning those countries that are neither Developed Markets nor Emerging Markets as such terms are defined above for this Fund). The Fund may also invest on an ancillary basis in units/shares of other collective investment schemes, including the Company's Funds as well as in closed-end funds, China A-Shares via Stock Connect, Fixed Income Securities, debt securities convertible into common shares, preference shares, participatory notes and warrants, in each case to gain exposure to Emerging Markets or Frontier Markets. The Fund may also invest up to 10% of its net assets in China A-Shares via Stock Connect. For temporary defensive purposes, during periods in which the Company believes changes in economic, financial or political conditions make it advisable, the Fund may reduce its holdings in emerging country equity securities to below 50% of the Fund's assets and invest in equity securities in Developed Market countries (whether EM Exposed Securities or not) or in Fixed Income Securities (whether providing exposure to Emerging Markets or Developed Markets).

Profile of the typical investor

In light of the Emerging Markets Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN CHAMPIONS FUND

The investment objective of the European Champions Fund is to seek long term capital growth, measured in Euro.

The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depository receipts (American Depositary Receipts (ADRs) and European Depositary Receipts (EDRs)), of companies Located in Europe.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives

for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments. The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs.

The Investment Adviser expects to hold a concentrated portfolio of transferable securities. The Investment Adviser will identify investments in equity securities that it considers to have prominent positions in their field based on stock specific research and fundamental market factors.

In order for the European Champions Fund to claim eligibility to the French "*Plan d'Epargne en Actions*" and as long as it is registered with the *Autorité des Marchés Financiers* in France, the total amount invested in equity securities (including *actions* and *parts sociales*) (as defined by Article L.221-31 of the French Monetary and Financial Code, I-1, a and b), other than preference shares (as defined by Article L.228-11 of the French Commercial Code) and subscription or allotment rights or warrants attached to shares (*droits ou bons de souscription ou d'attribution d'actions*) of eligible issuers, which have their registered office in a country member of the European Union or in the European Economic Area (provided that the said country has concluded with France a bilateral tax cooperation agreement with a clause of administrative assistance aiming at fighting tax fraud or evasion), will not be less than 75% at any time.

Profile of the typical investor

In light of the European Champions Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN EQUITY ALPHA FUND

The European Equity Alpha Fund's investment objective is to seek long term capital growth, measured in Euro, through investment primarily in a concentrated portfolio of equity securities of companies listed on European stock exchanges. Investments will be sought in equity securities that the Company believes to have the highest potential for long term capital appreciation based primarily on fundamental market factors and stock specific research. Such

companies will include companies whose securities are traded over the counter in the form of American Depositary Receipts (ADRs) or European Depositary Receipts (EDRs) (subject to Appendix A – Investment Powers and Restrictions).

The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

In order for the European Equity Alpha Fund to claim eligibility to the French "*Plan d'Epargne en Actions*" and as long as it is registered with the *Autorité des Marchés Financiers* in France, the total amount invested in equity securities (including *actions* and *parts sociales*) (as defined by Article L.221-31 of the French Monetary and Financial Code, I-1, a and b), other than preference shares (as defined by Article L.228-11 of the French Commercial Code) and subscription or allotment rights or warrants attached to shares (*droits ou bons de souscription ou d'attribution d'actions*) of eligible issuers, which have their registered office in a country member of the European Union or in the European Economic Area (provided that the said country has concluded with France a bilateral tax cooperation agreement with a clause of administrative assistance aiming at fighting tax fraud or evasion), will not be less than 75% at any time.

Profile of the typical investor

In light of the European Equity Alpha Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN PROPERTY FUND

The European Property Fund's investment objective is to seek long term capital appreciation, measured in Euro, by investing in equity securities of companies in the European real estate industry. Companies in the real estate industry may include property development companies, companies principally engaged in the development and/or ownership of income-producing property and collective investment vehicles with exposure to property such as publicly quoted property unit trusts, closed-end Real Estate Investment Trusts (REITs) and undertakings for collective investment.

By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management

expenses of the underlying collective investment vehicles. The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments.

Profile of the typical investor

In light of the European Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROZONE EQUITY ALPHA FUND

The Eurozone Equity Alpha Fund's investment objective is to seek long term capital growth, measured in Euro, through investment primarily in a concentrated portfolio of equity securities of companies domiciled or exercising the predominant part of their economic activity in the Eurozone. Investments will be sought in equity securities that the Company believes to have the highest potential for long term capital appreciation based primarily on fundamental market factors and stock specific research. Such companies will include companies whose equity securities are traded on a stock exchange in the Eurozone or whose securities are traded over the counter in the form of American Depositary Receipts (ADRs) or European Depositary Receipts (EDRs) (subject to Appendix A – Investment Powers and Restrictions). The Fund may also invest, on an ancillary basis, in equity securities not meeting the criteria of the Fund's primary investments, debt securities convertible into common shares, preference shares, warrants and other equity linked instruments.

In order for the Eurozone Equity Alpha Fund to claim eligibility to the French "*Plan d'Épargne en Actions*" and as long as it is registered with the *Autorité des Marchés Financiers* in France, the total amount invested in equity securities (including *actions* and *parts sociales*) (as defined by Article L.221-31 of the French Monetary and Financial Code, I-1, a and b), other than preference shares (as defined by Article L.228-11 of the French Commercial Code) and subscription or allotment rights or warrants attached to shares (*droits ou bons de souscription ou d'attribution d'actions*) of eligible issuers, which have their registered office in a country member of the European Union or in the European Economic Area (provided that the said country has concluded with France a bilateral tax cooperation agreement with a clause of administrative assistance aiming at fighting tax fraud or evasion), will not be less than 75% at any time.

Profile of the typical investor

In light of the Eurozone Equity Alpha Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

FRONTIER EMERGING MARKETS EQUITY FUND

The Frontier Emerging Markets Equity Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, through investment primarily in a portfolio of equity securities in frontier emerging market countries. The term "frontier emerging markets" refers to those emerging market countries outside the "mainstream" emerging markets, whose capital markets have traditionally been difficult for foreign investors to enter or are in early stages of capital market and/or economic development. Such countries include Argentina, Bahrain, Bangladesh, Bulgaria, Croatia, Estonia, Jordan, Kazakhstan, Kenya, Kuwait, Lebanon, Lithuania, Mauritius, Nigeria, Oman, Pakistan, Qatar, Romania, Saudi Arabia, Serbia, Slovenia, Sri Lanka, Tunisia, Ukraine, United Arab Emirates and Vietnam provided that the markets of these countries are considered to be regulated exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the frontier markets in which it invests. Investments in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in securities that do not comply with article 41 (1) of the 2010 Law (see Appendix A – Investment Powers and Restrictions) until such time as such exchanges are deemed to be Recognised Exchanges.

The Fund may invest in the equity securities (including American Depositary Receipts and Global Depositary Receipts) of companies organised and located in countries other than a frontier emerging market where the value of the companies' securities reflect a broad exposure to frontier emerging markets or where the company operates a subsidiary in such countries. For the purpose of the Fund's investments, a company will be treated as operating in a frontier emerging market if the company (i) is organized under the laws of, or has its principal offices located in a frontier emerging market country; or (ii) its securities are listed, quoted or traded (as their principal securities trading market) or intended to be listed, quoted or traded on a securities exchange located in a frontier emerging market country; or (iii) at least 35% of the company's revenue is derived from either goods produced, sales made or services performed in one or more frontier emerging market countries. The Fund may invest in derivatives including swaps,

forwards, options, participatory notes, warrants and other derivatives. Such indirect exposure will not exceed 50% of the net assets of the Fund. On an ancillary basis the fund may invest in collective investment schemes including the Company's Funds, exchange traded funds, cash and cash equivalents.

Profile of the typical investor

In light of the Frontier Emerging Markets Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL ACTIVE FACTOR EQUITY FUND

The Global Active Factor Equity Fund's investment objective is to seek long-term capital appreciation, measured in USD. The Fund invests primarily in equity securities issued by mid to large capitalisation companies, including depositary receipts (such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)) and closed-end Real Estate Investment Trusts (REITS), issued by companies worldwide.

The investment process uses a combination of quantitative models, to assess market drivers, and fundamental research of individual stocks to identify companies with attractive valuations, above-average appreciation potential and competitive dividend yields.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the above requirements, debt securities convertible into common shares, preference shares, cash and cash equivalents, warrants and other equity linked instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Profile of the typical investor

In light of the Global Active Factor Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";

- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL ADVANTAGE FUND

The Global Advantage Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing primarily in securities issued by companies on a global basis. Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established large-capitalization companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. The selection of securities for investment will be driven by a search for large-capitalization companies with strong name recognition and sustainable competitive advantages, typically favouring companies with rising returns on invested capital, above average business visibility, strong current period free cash flow generation and attractive risk/reward. Fundamental research drives the investment process. Company developments, including business strategy and financial results, will be studied on an ongoing basis. Portfolio holdings will generally be considered for divestment when the Investment Adviser determines that the holding no longer satisfies the Fund's investment criteria.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also be invested, on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, China A-Shares via Stock Connect, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, cash and cash equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Profile of the typical investor

In light of the Global Advantage Fund's investment objective, it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BRANDS FUND

The Global Brands Fund's investment objective is to seek an attractive long term rate of return, measured in US Dollars, through investment primarily in equity securities of companies in the world's developed countries. The Fund will invest in a concentrated portfolio of companies whose success the Company believes depends on intangible assets (for example, but not limited to, brand names, copyrights or methods of distribution) underpinning a strong business franchise.

The Fund may also invest, on an ancillary basis in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities to gain exposure to companies in developed and emerging markets, as well as equity securities of emerging market companies and China A-Shares via Stock Connect. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund will limit the use of derivatives to hedging purposes only.

Profile of the typical investor

In light of the Global Brands Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BRANDS EQUITY INCOME FUND

The Global Brands Equity Income Fund's investment objective is to provide regular income and an attractive rate of return, and measured in USD.

The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers Located in the world's developed markets.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in equity securities of issuers Located in emerging markets, including China A-Shares via Stock Connect, and in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and

other equity linked securities to gain exposure to issuers Located in developed and emerging markets. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund will invest in a concentrated portfolio of companies whose success the Investment Adviser believes depends on intangible assets (for example, but not limited to, brand names, copyrights, or methods of distribution) underpinning a strong business franchise.

The Fund will enter into financial derivative instruments with Morgan Stanley International Plc to enhance the level of income earned. This strategy is expected to include taking exposure via one or more swaps (the "Swaps") to options on equity securities and/or to indices. This is expected to increase the amount of income earned, through receipt of the premiums received for writing the underlying options. However, in a rising market, the risk of capital losses on the Swaps resulting from the exercise of the options may be mitigated by the growth in the value of the underlying assets.

Profile of the typical investor

In light of the Global Brands Income Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL DISCOVERY FUND

The Global Discovery Fund's investment objective is to seek long-term capital appreciation, measured in US Dollars.

Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established and emerging companies located throughout the world, with capitalizations within the range of companies included in the MSCI All Country World Index.

The Fund may also invest on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, China A-Shares via Stock Connect, warrants on securities, cash and cash equivalents and other equity linked securities. In addition, the Fund may to a limited extent, invest in ETFs. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. The selection of securities for investment will be driven by a search for companies with sustainable competitive advantages, typically favouring companies with one or more of the following: strong cash generation, attractive returns on capital, hard-to-replicate assets and a favourable risk/reward. Portfolio holdings will generally be considered for disinvestment when the Investment Adviser determines that the holding no longer satisfies the Fund's investment criteria.

Profile of the typical investor

In light of the Global Discovery Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long-term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL INFRASTRUCTURE FUND

The Global Infrastructure Fund's investment objective is to seek to provide long term capital appreciation, measured in US Dollars, by investing primarily in equity securities issued by companies, for the avoidance of doubt including closed-end Real Estate Investment Trusts (REITs), located throughout the world that are engaged in the infrastructure business. Companies in the infrastructure business may be involved in, among other areas, the transmission and distribution of electric energy; the storage, transportation and distribution of natural resources, such as natural gas, used to produce energy; the building, operation and maintenance of highways, toll roads, tunnels, bridges and parking lots; the building, operation and maintenance of airports and ports, railroads and mass transit systems; telecommunications; water treatment and distribution; and other emerging infrastructure sectors.

The Fund may also invest on an ancillary basis in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments issued by any corporations engaged in infrastructure related business.

Profile of the typical investor

In light of the Global Infrastructure Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL OPPORTUNITY FUND

The Global Opportunity Fund's investment objective is to seek long term appreciation, measured in US Dollars. The Fund will seek to achieve its investment objective by investing primarily in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), of issuers Located in any country.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis, in debt securities convertible into common shares, preference shares, China A-Shares via Stock Connect, warrants on securities, cash and cash equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund may invest to a limited extent in units/shares of other collective investment schemes, including the Company's Funds and open-ended ETFs.

The Fund will invest in a diversified portfolio of companies using in-depth bottom-up fundamental company research. The investment process relies on a disciplined approach to identify companies with sustainable competitive advantages and the ability to redeploy capital at a high rate of return. The Investment Adviser aims to buy these issuers at large discounts, in the Investment Adviser's opinion, to their intrinsic value.

Profile of the typical investor

In light of the Global Opportunity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;

- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL PROPERTY FUND

The Global Property Fund’s investment objective is to seek long term capital appreciation, measured in US Dollars, primarily through investment in the equity securities of companies in the real estate industry located throughout the world. Companies in the real estate industry may include companies principally engaged in the development and/or ownership of income-producing property and collective investment vehicles with exposure to property such as publicly quoted property unit trusts, closed-end Real Estate Investment Trusts (REITS) and undertakings for collective investment. By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management expenses of the underlying collective investment vehicles. The Fund may also invest on an ancillary basis in preference shares, debt securities convertible into common shares, warrants and other equity linked instruments.

Profile of the typical investor

In light of the Global Property Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL QUALITY FUND

The Global Quality Fund’s investment objective is to seek an attractive long term rate of return, measured in US Dollars, through investment principally in equity securities of companies in the world’s developed countries. The strategy will invest in a concentrated portfolio of high quality businesses with strong managements that can sustain high cross-cycle returns on capital. The Investment Adviser believes that long term returns can best be achieved through compounding and downside protection and that high quality companies can generate superior returns for their owners over the long term. The search for high quality companies will focus on identifying companies with dominant market positions, typically underpinned by hard to replicate intangible assets. Characteristics include resilient revenue streams, pricing power, typically low capital intensity and the opportunity for organic growth. The Investment Adviser aims to

buy these stocks at attractive valuations relative to their cash-flow based fundamental values.

The Fund may also invest, on an ancillary basis, in equity securities of companies located in emerging markets, including China A-Shares via Stock Connect, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities. The Fund will limit the use of derivatives to hedging purposes only. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The investment strategy of the Global Quality Fund might have limited capacity. In the event that the overall assets managed within the strategy get close to the strategy capacity limit as appreciated, from time to time, by the Investment Adviser, the Directors may decide to close one or more share classes to further subscriptions or conversions taking into account the best interests of the existing shareholders.

Profile of the typical investor

In light of the Global Quality Fund’s investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

INDIAN EQUITY FUND

The Indian Equity Fund’s investment objective is to seek long term capital appreciation, measured in US Dollars, by investment directly (subject to the Fund’s obtaining applicable regulatory approval as the case may be) or through the Subsidiary, primarily in the equity securities of companies domiciled or exercising the predominant part of their economic activity in India. The Fund, either directly (subject to the above mentioned approvals) or through the Subsidiary (as defined below), may also invest, on an ancillary basis, in companies listed on Indian stock exchanges which may not be domiciled or exercising the predominant part of their economic activity in India, in depositary receipts (including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs)), debt securities convertible into common shares, preference shares, debentures, warrants on securities and other equity linked securities, including participatory notes. The Fund, either directly (subject to the above mentioned approvals) or through the Subsidiary, will invest in a concentrated portfolio of companies.

Profile of the typical investor

In light of the Indian Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

INTERNATIONAL EQUITY (EX US) FUND

The International Equity (ex US) Fund's investment objective is to seek an attractive long term rate of return, measured in US Dollars.

The Fund will seek to achieve its investment objective by investing principally in equity securities, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), of companies located in the world's developed countries excluding the United States of America. The Fund will invest in a diversified portfolio of companies using in-depth bottom-up fundamental company research. The investment process relies on a disciplined, value-oriented approach to identify companies with capable management, dominant market positions, have the potential to generate stable, consistent returns. The Investment Adviser aims to buy these companies at attractive valuations relative to their cash-flow based fundamental values.

The Fund may also invest, on an ancillary basis, in equity securities of companies located in emerging markets, including in China A-Shares via Stock Connect; or, as a result of a corporate action, located in the United States of America, in preference shares, debt securities convertible into common shares or preference shares, warrants on securities and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

The Fund will limit the use of derivatives to currency forwards for hedging purposes only.

Profile of the typical investor

In light of the International Equity (ex US) Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

JAPANESE EQUITY FUND

The Japanese Equity Fund's investment objective is to seek long term capital appreciation, measured in Yen, through investment primarily in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Japan and which are listed on any exchanges or over the counter markets (subject to Appendix A – Investment Powers and Restrictions). The Fund may also invest, on an ancillary basis, in debt securities convertible into common shares, warrants and other equity linked instruments.

Profile of the typical investor

In light of the Japanese Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

LATIN AMERICAN EQUITY FUND

The Latin American Equity Fund's investment objective is to seek to maximise total return, measured in US Dollars, through investment primarily in the common shares of companies incorporated in Latin American countries. Such Latin American countries include Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela provided that the markets in these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the Latin American markets in which it invests. From time to time, the Fund's investments may be concentrated in a limited number of countries. Investments in securities listed on exchanges which are not Recognised Exchanges shall be treated as investments in non-listed securities (see Appendix A – Investment Powers and Restrictions) until such time as such exchanges are deemed to be Recognised Exchanges. The Fund may invest in the securities of companies organised and located in countries other than the Latin American countries where the value of the company's securities will reflect principally conditions in a Latin American country or where the principal securities trading market is in a Latin American country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Latin American countries. The Fund may also invest in debt securities convertible into common shares, preference shares, warrants and other equity linked instruments. To the extent the Fund's assets are not invested in equity or equity

linked instruments, the remainder of the assets may be invested in Fixed Income Securities. For temporary defensive purposes, during periods in which the Company believes changes in economic, financial or political conditions make it advisable, the Fund may reduce its holding in Latin American equities to below 80% of the Fund's assets and invest in other equity and Fixed Income Securities.

Profile of the typical investor

In light of the Latin American Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US ACTIVE FACTOR EQUITY FUND

The US Active Factor Equity Fund's investment objective is to seek long-term capital appreciation, measured in US Dollars. The Fund invests primarily in equity securities issued by mid to large capitalization companies, including depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)) and closed-end Real Estate Investment Trusts (REITs), issued by companies Located in the United States of America.

The investment process uses a combination of quantitative models, to assess market drivers, and fundamental research of individual stocks to identify companies with attractive valuations, above-average appreciation potential and competitive dividend yields.

The Fund may also invest, on an ancillary basis, in equity securities not meeting the above requirements, debt securities convertible into common shares, preference shares, cash and cash equivalents, warrants and other equity linked instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Profile of the typical investor

In light of the US Active Factor Equity Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;

- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US ADVANTAGE FUND

The US Advantage Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing primarily in securities issued by US companies and on an ancillary basis in securities issued by companies that are not from the US. An issuer may be considered to be from a particular country (including the US) or geographic region if (i) its principal securities trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in that country or geographic region; or (iii) it is organized under the laws of, or has a principal office in, that country or geographic region. By applying these tests, it is possible that a particular issuer could be deemed to be from more than one country or geographic region. Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established large-capitalization companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. The selection of securities for investment will be driven by a search for large-capitalization companies with strong name recognition and sustainable competitive advantages, typically favouring companies with rising returns on invested capital, above average business visibility, strong current period free cash flow generation and attractive risk/reward. Fundamental research drives the investment process. Company developments, including business strategy and financial results, will be studied on an ongoing basis. Portfolio holdings will generally be considered for divestment when the Investment Adviser determines that the holding no longer satisfies the Fund's investment criteria.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also be invested, on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, China A-Shares via Stock Connect, cash and cash equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Profile of the typical investor

In light of the US Advantage Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US GROWTH FUND

The US Growth Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing primarily in securities issued by US companies and on an ancillary basis in securities issued by companies that are not from the US. An issuer may be considered to be from a particular country (including the US) or geographic region if (i) its principal securities trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in that country or geographic region; or (iii) it is organized under the laws of, or has a principal office in, that country or geographic region. By applying these tests, it is possible that a particular issuer could be deemed to be from more than one country or geographic region. Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of high quality growth oriented companies. The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. The selection of securities will be driven by a search for high quality companies that are believed to have sustainable competitive advantages and the ability to redeploy capital at high rates of return. Companies with rising returns on invested capital, above average business visibility, strong free cash flow generation and an attractive risk/reward profile, will typically be favoured. Individual security selection will be emphasized. Portfolio holdings will generally be considered for divestment when the Investment Adviser determines that the company no longer satisfies the Fund's investment criteria.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary

Receipts (GDRs)), preference shares, warrants on securities, China A-Shares via Stock Connect, cash and cash equivalents and other equity linked securities. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

Profile of the typical investor

In light of the US Growth Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US INSIGHT FUND

The US Insight Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing primarily in securities issued by US companies.

Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established and emerging companies (1) in the United States of America and (2) with market capitalizations within the range of companies included in the Russell 3000® Value Index.

The Fund may also invest on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, China A-Shares via Stock Connect, cash and cash equivalents and other equity linked securities. In addition the Fund may to a limited extent invest in ETFs. The Fund may invest up to 10% of its net assets in China A-Shares via Stock Connect.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

An issuer may be considered to be from a particular country (including the US) or geographic region if (i) its principal securities trading market is in that country or geographic region; (ii) alone or on a consolidated basis it derives 50% or more of its annual revenue from goods produced, sales made or services performed in that country or geographic region; or (iii) it is organized under the laws of, or has a principal office in, that country or geographic region.

The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. The selection of securities for investment will be driven by a search for strong name recognition, sustainable competitive advantages and ample growth prospects at an attractive discount to future cash flow generation capacity or asset value. The Investment Adviser typically favours companies with the ability to generate attractive free cash flow yields. Portfolio holdings will generally be considered for divestment when the Investment Adviser determines that the company no longer satisfies the Fund's investment criteria.

Profile of the typical investor

In light of the US Insight Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long-term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US MID CAP GROWTH FUND

The US Mid Cap Growth Fund's investment objective is to seek long-term capital appreciation, measured in US Dollars, by investing primarily in securities issued by companies Located in the United States with market capitalisations within the range of companies included in the Russell Mid Cap Growth Index ("Mid Cap Companies").

Under normal market conditions, the Fund's investment objective will be pursued by investing primarily in equity securities of established and emerging companies that are both (i) Located in the United States of America, and (ii) are Mid Cap Companies.

The Fund may also invest on an ancillary basis, in equities of companies not meeting the above requirements, debt securities convertible into common shares, depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), preference shares, warrants on securities, cash and cash equivalents and other equity linked securities. In addition, the Fund may, to a limited extent, invest in ETFs.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The investment process will emphasize a bottom-up stock selection process, seeking attractive investments on an individual company basis. The selection of securities for investment will be driven by a search for high quality companies that are believed to have sustainable competitive advantages and the ability to redeploy capital at high rates of return. The Investment Adviser typically favours companies with rising returns on invested capital, above average business visibility, strong free cash flow generation and an attractive risk/reward profile. Portfolio holdings will generally be considered for divestment when the Investment Adviser determines that the company no longer satisfies the Fund's investment criteria.

Profile of the typical investor

In light of the US Mid Cap Growth Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long-term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US PROPERTY FUND

The US Property Fund's investment objective is to seek long term capital appreciation, measured in US Dollars, by investing in equity securities of companies in the US real estate industry. The Fund intends to invest in the publicly traded securities of closed-end Real Estate Investment Trusts (REITS) and similar Real Estate Operating Companies (REOCs). REITS and REOCs are companies that acquire and/or develop real property for long term investment purposes. They invest the majority of their assets directly in real property and derive their income primarily from rents. By investing in REITS and REOCs through the Fund the investor will bear not only his proportionate share of the management fees of the Fund but also indirectly, the management expenses of the underlying REITS and REOCs. A REIT will not be subject to US income or capital gains tax at the REIT level on the income and gains distributed to shareholders if it complies with several requirements relating to its organisation, ownership, assets, income, and capital gains. However, a REOC is subject to US income and capital gains at the company level. Generally, the taxable income distributed by a regularly traded REIT or REOC to the Fund should be subject to a rate of US withholding tax of 30%. Generally, distributions by a REIT and a REOC of capital gains arising from the disposition of US real estate will be subject to withholding tax of 35% for which a refund may not be available. Distributions which are considered to be a return of capital are generally not subject to the 35% withholding tax.

The Fund may also invest, on an ancillary basis, in preference shares, debt securities convertible into common shares, warrants and other equity-linked instruments.

Profile of the typical investor

In light of the US Property Fund's investment objective it may be appropriate for investors who:

- seek to invest in equity securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

BOND FUNDS

The various Bond Funds have the following objectives:

ABSOLUTE RETURN FIXED INCOME FUND

The investment objective of the Absolute Return Fixed Income Fund is to provide positive returns, measured in Euro, through the selection of fixed income asset classes, markets and fixed income financial instruments. The Fund does not offer any form of guarantee with respect to investment performance and no form of capital protection applies.

The Fund will invest primarily in the global securities of corporate, government and government related issuers across a spectrum of fixed income asset classes including high yield bonds, investment-grade bonds, mortgage-backed securities, convertibles and currencies and subject to applicable law, in other asset-backed securities as well as loan participations and loan assignments to the extent that these instruments are securitised. The Fund will only invest in Fixed Income Securities which are rated, at the time of purchase, at least B- by S&P or "B3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. Investments may include Fixed Income Securities issued in emerging markets. The Investment Adviser may invest in any combination of two or more of the above asset classes.

The Fund may also invest, on an ancillary basis, in additional securities including but not limited to debt securities convertible into common shares, cash, equity or other equity linked securities. The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange-

traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Absolute Return Fixed Income Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

ASIAN FIXED INCOME OPPORTUNITIES FUND

The investment objective of the Asian Fixed Income Opportunities Fund is to provide an attractive level of total return, measured in US Dollars, through investment in Fixed Income Securities in Asia. The Fund will seek to achieve the investment policy through allocation across fixed income asset classes as well as through market and instrument selection.

The Fund will invest primarily in the securities of corporate, government and government related issuers domiciled in or exercising the predominant part of their economic activity in Asia, excluding Japan, across a spectrum of fixed income asset classes including high yield bonds, investment-grade bonds, convertibles and currencies and, subject to applicable law, in asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. These investments may include Fixed Income Securities issued in Emerging Markets. The Investment Adviser may invest in any combination of two or more of the above asset classes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

The Fund may also invest, on an ancillary basis, additional securities including but not limited to equity securities, other equity linked securities, cash, or Fixed Income Securities issued by issuers located outside of Asia. The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Profile of the typical investor

In light of the Asian Fixed Income Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS CORPORATE DEBT FUND

The Emerging Markets Corporate Debt Fund's investment objective is to seek to maximize total return, measured in US Dollars, primarily through investments across the credit spectrum of Fixed Income Securities of corporate issuers, together with investing in Fixed Income Securities of government and government related issuers located in each case in Emerging Markets countries. The Fund intends to invest its assets in Emerging Market countries' Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

"Emerging Market" countries, for the purposes of this Fund, are as defined by the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified, provided that the markets of these countries are considered to be recognized exchanges ("Recognized Exchanges") within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as such markets are added to this index. To achieve its principal investment in Emerging Market countries, the Fund may invest in Fixed Income Securities of companies organised and located in Emerging Market countries and may also invest in Fixed Income Securities of companies organised and located in Developed Market countries (for the purpose of this Fund, as defined by the JP Morgan Government Bond Index) where the value of the company's securities will reflect principally conditions in an Emerging Market country or where the principal securities trading market for such Emerging Market country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Emerging Market countries ("EM Exposed Securities"). Fixed Income Securities held by the Fund will take the form of bonds,

notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

The Fund may also invest on an ancillary basis in the aforementioned Fixed Income Securities where such securities are issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes. The Fund may, on an ancillary basis, invest in other emerging markets Fixed Income Securities and in emerging markets Fixed Income Securities denominated in currencies other than US Dollars.

The Fund may also invest, to a limited extent, in warrants on transferable securities issued by issuers in emerging markets as well as in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Emerging Markets Corporate Debt Fund's investment objective, it may be appropriate for investors who:

- seek to invest in Fixed Income Securities in emerging markets;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EMERGING MARKETS DEBT FUND

The Emerging Markets Debt Fund's investment objective is to seek to maximise total return, measured in US Dollars, primarily through investment in the Fixed Income Securities of government and government-related issuers located in Emerging Market countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions), together with investing in the Fixed Income Securities of corporate issuers located in or organised under the laws of Emerging Market countries. The Fund intends to invest its assets in Emerging Market country Fixed Income Securities that provide

a high level of current income, while at the same time holding the potential for capital appreciation.

“Emerging Market” countries, for the purposes of this Fund, are as defined by the JP Morgan Emerging Markets Bond Index Global provided that the markets of these countries are considered to be recognised exchanges (“Recognised Exchanges”) within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as such markets are added to this index. To achieve its principal investment in Emerging Market countries, the Fund may invest in the Fixed Income Securities of companies organised and located in Emerging Market countries and may also invest in the Fixed Income Securities of companies organised and located in Developed Market countries (for the purpose of this Fund, as defined by JP Morgan Government Bond Index) where the value of the company’s Fixed Income Securities will reflect principally conditions in an Emerging Market country or where the principal Fixed Income Securities trading market for such emerging country, or where 50% of the company’s revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Emerging Market countries (“EM Exposed Securities”). Fixed Income Securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments (to the extent that these instruments are securitised) and interests issued by entities organised and operated for the purpose of restructuring the investment characteristics of instruments issued by emerging market issuers.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis in the aforementioned Fixed Income Securities where such Fixed Income Securities are issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

The Fund may also invest, to a limited extent, in warrants issued by emerging market issuers as well as in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Emerging Markets Debt Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities in emerging markets;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

EMERGING MARKETS DOMESTIC DEBT FUND

The Emerging Markets Domestic Debt Fund’s investment objective is to seek to maximise total return, measured in US Dollars, primarily through investment in a portfolio of Emerging Market bonds and other Emerging Market Fixed Income Securities, denominated in the local currency of issue. The Fund intends to invest its assets in Emerging Market Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

“Emerging Market” countries, for the purposes of this Fund, are as defined by the JP Morgan Government Bond Index – Emerging Markets Global Diversified, provided that the markets of these countries are considered to be recognised exchanges (“Recognised Exchanges”) within the meaning of Article 41(1) of the 2010 Law. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as such markets are added to this index.

To achieve its principal investment in Emerging Market countries, the Fund may invest in Fixed Income Securities of government and government-related issuers located in Emerging Markets countries (including, to the extent these instruments are securitised, participations in loans between governments and financial institutions) and Fixed Income Securities of corporate issuers located in or organised under the laws of Emerging Market countries, denominated in the local currency of issue.

The Fund may invest in Fixed Income Securities of entities organised to restructure outstanding debt of Emerging Market issuers.

Fixed Income Securities held by the Fund will take the form of bonds, notes, bills, debentures, convertible securities, bank debt obligations, short-term paper, mortgage and, subject to applicable law, other asset-backed securities, loan participations and loan assignments to the extent that these instruments are securitised.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers

and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also invest on an ancillary basis in the aforementioned Fixed Income Securities where such securities are issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

In addition, the Fund may invest on an ancillary basis in Fixed Income Securities which are not denominated in the local currency of issue, provided that for temporary defensive purposes, during periods in which the Company believes changes in economic, financial or political conditions make it advisable, the Fund may reduce its holdings denominated in the local Emerging Market currency of issue to below 50% of the Fund's assets and invest in eligible Fixed Income Securities denominated in the currencies of Developed Market countries.

Finally, the Fund may also invest, to a limited extent, in warrants on transferable securities issued by issuers in Emerging Market countries as well as in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Emerging Markets Domestic Debt Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities in emerging markets;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors", specifically the risks relating to emerging markets and in particular Fixed Income Securities denominated in the currency of the countries of investment.

EMERGING MARKETS FIXED INCOME OPPORTUNITIES FUND

The investment objective of the Emerging Markets Fixed Income Opportunities Fund is to seek to maximise total return, measured in US Dollars, primarily through investment in the Fixed Income Securities of issuers located in Emerging Market Countries or issues denominated in the currencies of Emerging Market Countries. The Fund intends to invest its assets in Emerging Market countries'

Fixed Income Securities that provide a high level of current income, while at the same time holding the potential for capital appreciation.

"Emerging Market" countries, for the purposes of this Fund, are any countries included in any of (1) the JP Morgan Government Bond Index – Emerging Markets Global Diversified; (2) the JP Morgan Emerging Markets Bond Index Global; or (3) the JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified, provided that the markets of these countries are considered to be recognised exchanges ("Recognised Exchanges") within the meaning of Article 41(1) of the 2010 Law. For the avoidance of doubt, an investment in an issue included in one of these indexes will constitute an investment within the primary investment strategy of the Fund. As markets in other countries develop, the Fund expects to expand and further diversify the emerging markets in which it primarily invests as such markets are added to this index.

To achieve its principal investment in Emerging Market countries, the Fund may also invest in the Fixed Income Securities of companies organised and located in Developed Market countries (for the purpose of this Fund, as defined by the JP Morgan Government Bond Index) where the value of the company's securities will reflect principally conditions in an Emerging Market country or where the principal securities trading market for such is in an Emerging Market country, or where 50% of the company's revenue alone or on a consolidated basis is derived from either goods produced, sales made or services performed in Emerging Market countries ("EM Exposed Securities").

The Fund may invest in Fixed Income Securities of issuers organised to restructure outstanding debt of Emerging Market issuers.

The Fund may invest on an ancillary basis in Fixed Income Securities issued by issuers organised and located (1) in neither Developed Market countries nor Emerging Market countries; or (2) in Developed Market countries but the securities are not EM Exposed Securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Emerging Markets Fixed Income Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EURO BOND FUND

The Euro Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in high quality issues of Euro denominated Fixed Income Securities whether issued by corporations, governments or government guaranteed issuers. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either "A-" or better by S&P or "A3" or better by Moody's, or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to invest in such securities that are downgraded after purchase but it will not hold securitised bonds downgraded below "BBB-" by S&P or "Baa3" by Moody's and/or other securities downgraded below "B-" by S&P or "B3" by Moody's, or, in each case, a similar rating by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may not make additional purchases of securities that are downgraded.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Euro Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";

- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EURO CORPORATE BOND FUND

The Euro Corporate Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in high quality issues of Euro denominated Fixed Income Securities, issued by corporations and other non-government related issuers ("Corporate Bonds"). With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either "BBB-" or better by S&P or "Baa3" or better by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase as primary investments.

The Fund may, on an ancillary basis, invest in:

- Corporate Bonds which at the time of purchase are rated either lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.
- Non-Euro denominated Fixed Income Securities. In accordance with Appendix A "Investment Powers and Restrictions" non-Euro currency exposure may be hedged back to the Euro.
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Euro Corporate Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EURO STRATEGIC BOND FUND

The Euro Strategic Bond Fund's investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in issues of Euro denominated Fixed Income Securities whether issued by corporations, government or government guaranteed issuers, and subject to applicable law, in asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in non-Euro denominated Fixed Income Securities. In accordance with Appendix A "Investment Powers and Restrictions" non-Euro currency exposure may be hedged back to the Euro. The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Euro Strategic Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

EUROPEAN CURRENCIES HIGH YIELD BOND FUND

The European Currencies High Yield Bond Fund's investment objective is to provide an attractive rate of return, measured in Euro, through investments worldwide primarily in lower rated and unrated Fixed Income Securities issued by governments, agencies and corporations that offer a yield above that generally available on the Fixed Income Securities in the four highest rating categories of S&P or Moody's denominated in European currencies. These investments may include Fixed Income Securities issued by non-European issuers and such securities issued in emerging markets and, subject to applicable law, asset-backed securities, loan

participations and loan assignments, to the extent that these instruments are securitised.

The Fund may, on an ancillary basis, invest in non-European currency denominated Fixed Income Securities. In order to optimize European currency exposure, the non-Euro currency exposure may be hedged back to the Euro and the Fund may, on an ancillary basis, use derivatives contracts to create synthetic European currency high yield Fixed Income Securities within the limits set forth in Appendix A – Investment Powers and Restrictions. The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the European Currencies High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BOND FUND

The Global Bond Fund's investment objective is to provide an attractive rate of return, measured in US Dollars, through market, instrument and currency selection. The Fund consists of domestic, international and Euromarket Fixed Income Securities of varying maturities denominated in US Dollars and other currencies, including emerging markets, asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers

and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be suitable for investment if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa3” or better by Moody’s, or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase. In addition, the Fund may invest, up to 10% of its Net Asset Value, in securities which at the time of purchase are rated either lower than “BBB-” by S&P or “Baa3” by either Moody’s or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL BUY AND HOLD 2020 BOND FUND

The Global Buy and Hold 2020 Bond Fund will feature three distinct phases: (i) a period of up to 9 weeks following the launch of the Fund (the “Asset Gathering Period”); (ii) a period of 4 years following the Asset Gathering Period during which the Fund will pursue its principal investment objective (the “Principal Investment Period”); and (iii) a period of up to 6 months following the Principal Investment Period (the “Post Investment Period”).

This Fund has been designed for investors who will invest in the Fund during the Asset Gathering Period and will hold their investment until the end of the Principal Investment Period. Three months after the end of the Asset Gathering Period, the Fund will be closed to further subscriptions unless otherwise decided by the board of directors. Redemptions made during the Principal Investment Period will be subject to a redemption fee of up to 1.00% of the redemption proceeds, which will be retained for the benefit of the Fund, as described in section 2.5 of this Prospectus under the heading “Other Charges”.

The Asset Gathering Period

During the Asset Gathering Period the Fund will hold up to 100% of its assets in short term Fixed Income Securities, such as money market instruments or Short-Term Money Market Funds and Money Market Funds as described in the “General Information Relating to the Funds” above, as well as in cash and cash equivalents. Investors should be aware that Euro denominated Money Market Funds currently offer negative yields. As a result of the Fund investing in such Money Market Funds during the Asset Gathering Period the net asset value of the Fund at the end of the Asset Gathering Period is likely to be less than the net asset value on the day of the Fund’s launch. For further information, please consult the Risk Factor entitled “Negative Yields on Money Market Funds” in section 1.5.2 of this Prospectus.

The Principal Investment Period

The Global Buy and Hold 2020 Bond Fund’s investment objective during the four year Principal Investment Period is to provide investors with a regular income return, measured in Euro.

The Fund will seek to achieve its investment objective by investing primarily in Fixed Income Securities issued by corporations, other non-government issuers, governments and government related issuers Located in both developed and emerging markets and denominated in global currencies. The Fixed Income Securities acquired by the Fund are expected to have a maturity of approximately four years, measured from the start of the Principal Investment Period.

The Fund may invest no more than 70% of its assets in Fixed Income Securities that are high yield securities. Fixed Income Securities will be deemed to be “high yield securities” if at the time of purchase they are rated below “BBB-” by S&P and below “Baa3” by Moody’s or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund may invest no more than 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may invest no more than 50% of its assets in Fixed Income Securities issued by issuers Located in emerging markets.

In normal market conditions, the Investment Adviser expects to hold a low turnover portfolio.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Post Investment Period

During the Post Investment Period the Fund will hold up to 100% of its assets in short term debt securities, cash and cash equivalents such as money market instruments or Short-Term Money Market Funds and Money Market Funds as described in the “General Information Relating to the Funds” above.

Unless otherwise decided by the board of directors in compliance with the Company’s documentation and notified to the shareholders, the shares will be redeemed at the end of the Post Investment Period (the “Maturity Date”). The investors will be notified no later than two months after the beginning of the Post Investment Period of the date of the Maturity Date as well as the procedure applicable for the redemption operation. Such notification may be made by way of a notice on the Company’s website.

Profile of the typical investor

In light of the Global Buy and Hold 2020 Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek income over a four year period and whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”;
- are prepared to remain invested until the end of the four year Principal Investment Period.

GLOBAL BUY AND MAINTAIN BOND FUND

The Global Buy and Maintain Bond Fund’s investment objective is to provide an attractive rate of relative return, measured in Sterling.

The Fund will seek to achieve its investment objective by investing primarily in high quality issues of Fixed Income Securities issued by corporations and other non-government issuers (“Corporate Bonds”) Located in both developed and emerging markets and denominated in global currencies.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa3” or better by Moody’s or similarly rated by another internationally

recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase as primary investments.

The Fund may, on an ancillary basis, invest in:

- Corporate Bonds which at the time of purchase are rated either lower than “BBB-” by S&P or “Baa3” by Moody’s or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser;
- Fixed Income Securities that are not Corporate Bonds.

The Investment Adviser expects to hold a low turnover portfolio.

The Fund may invest no more than 20% of its assets in asset-backed securities and mortgage-backed securities.

Profile of the typical investor

In light of the Global Buy and Maintain Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

GLOBAL CONVERTIBLE BOND FUND

The Global Convertible Bond Fund’s investment objective is to seek long term capital appreciation, measured in US Dollars, through investment primarily in convertible bonds issued by companies organised or operating in either the developed or emerging markets which will be denominated in global currencies.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in other Fixed Income Securities as well as a combination of equities and warrants on transferable securities either as a result of exercising the conversion option in the convertible bonds in the Fund or as an alternative to convertible bonds when it deems it appropriate.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global Convertible Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- seek to invest in Fixed Income Securities;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL CREDIT FUND

The Global Credit Fund's investment objective is to provide an attractive rate of relative return, measured in USD.

The Fund will invest primarily in high quality issues of Fixed Income Securities issued by corporations and other non-government issuers ("Corporate Bonds") organised or operating in both developed and emerging markets and denominated in global currencies. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either "BBB-" or better by S&P or "Baa3" or better by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase as primary investments.

The Fund may, on an ancillary basis, invest in:

- Corporate Bonds which at the time of purchase are rated either lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser;
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global Credit Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL FIXED INCOME OPPORTUNITIES FUND

The investment objective of the Global Fixed Income Opportunities Fund is to provide an attractive level of total return, measured in US Dollars, through investment in global fixed income securities. The Fund will seek to achieve the investment policy through allocation across fixed income asset classes as well as through market and instrument selection.

The Fund will invest primarily in the global securities of corporate, government and government related issuers across a spectrum of fixed income asset classes including high yield bonds, investment-grade bonds, mortgage-backed securities, convertibles and currencies, and subject to applicable law, in other asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised. High yield bonds are considered to be Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. These investments may include Fixed Income Securities issued in emerging markets. The Investment Adviser may invest in any combination of two or more of the above asset classes.

The Fund may also invest, on an ancillary basis, additional securities including but not limited to cash, equity or other equity linked securities. The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global Fixed Income Opportunities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL HIGH YIELD BOND FUND

The Global High Yield Bond Fund's investment objective is to provide an attractive rate of return, measured in US Dollars, through investments worldwide primarily in Fixed Income Securities issued by corporations that are rated lower than "BBB-" by S&P or "Baa3" by Moody's or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. These investments may include Fixed Income Securities issued in emerging markets and, subject to applicable law, asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in other Fixed Income Securities (including securities issued by governments and agencies, and securities which are rated "BBB-" or higher by S&P or "Baa3" or higher by Moody's, or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser). The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;

- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL MORTGAGE SECURITIES FUND

The Global Mortgage Securities Fund's investment objective is to provide an attractive rate of total return, measured in USD.

The Fund will invest primarily in Fixed Income Securities that are mortgage-backed securities, commercial mortgage-backed securities, collateralized mortgage obligations and covered bonds that are covered by mortgages ("Mortgage Backed Securities"). At least 50% of the Fund's assets will be invested in securities rated investment-grade by an internationally recognised rating agency, securities determined to be of similar creditworthiness by the Investment Adviser, or securities backed by the United States of America.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps, options on swaps (swaptions) and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may, on an ancillary basis, invest in Fixed Income Securities that are not Mortgage Backed Securities.

Profile of the typical investor

In light of the Global Mortgage Securities Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL PREMIER CREDIT FUND

The Global Premier Credit Fund's investment objective is to provide an attractive rate of return, measured in USD, primarily through investment in a concentrated portfolio of Fixed Income Securities of high quality issued by corporations and non-government related issuers organised or operating in both developed and emerging markets and denominated in global currencies. The Fund will seek to invest in the Fixed Income Securities of issuers characterized by dominant franchises or leading market positions whose success is driven by a sustainable competitive advantage

including, but not limited to, operational efficiency, business model or intangible assets such as intellectual property, good will and human capital.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa3” or better by Moody’s or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase.

In addition, the Fund may, on an ancillary basis, invest in securities which at the time of purchase are rated either lower than “BBB-” by S&P or “Baa3” by Moody’s or similarly by another internationally recognised rating agency or determined to be of similar creditworthiness by the Investment Adviser. The Fund may also invest in unrated securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global Premier Credit Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

SHORT MATURITY EURO BOND FUND

The Short Maturity Euro Bond Fund’s investment objective is to provide an attractive rate of relative return, measured in Euro.

The Fund will invest primarily in high quality issues of Euro denominated Fixed Income Securities whether issued by corporations, government or government guaranteed issuers. With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives

for investment or efficient portfolio management (including hedging) purposes.

The Fund will invest primarily, in order to reduce volatility, in individual securities with maturity dates having a maximum unexpired term of five years.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa 3” or better by Moody’s, or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to invest in such securities that are downgraded after purchase but it will not hold securitised bonds downgraded below “BBB-” by S&P or “Baa3” by Moody’s and/or other securities downgraded below “B-” by S&P or “B3” by Moody’s, or, in each case, a similar rating by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may not make additional purchases of securities that are downgraded.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Short Maturity Euro Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

US DOLLAR CORPORATE BOND FUND

The US Dollar Corporate Bond Fund’s investment objective is to provide an attractive rate of relative return, measured in US Dollars.

The Fund will seek to achieve its investment objective by investing primarily in high quality issues of US Dollar denominated Fixed Income Securities issued by corporations and other non-government issuers (“Corporate Bonds”).

With a view to enhancing returns and/or as part of the investment strategy, the Fund may invest in derivatives (in accordance with the investment powers and restrictions set out in Appendix A) such as exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by S&P or “Baa3” or better by Moody’s or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to hold investments in such securities that are downgraded after purchase as primary investments.

The Fund may, on an ancillary basis, invest in:

- Corporate Bonds which at the time of purchase are rated either lower than “BBB-” by S&P or “Baa3” by Moody’s or similarly by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser;
- Non-US Dollar denominated Fixed Income Securities. In accordance with Appendix A “Investment Powers and Restrictions” non US Dollar currency exposure may be hedged back to US Dollars;
- Fixed Income Securities that are not Corporate Bonds.

The Fund may invest no more than 20% of its assets in asset-backed securities and mortgage-backed securities.

Profile of the typical investor

In light of the US Dollar Corporate Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

US DOLLAR HIGH YIELD BOND FUND

The US Dollar High Yield Bond Fund’s investment objective is to provide an attractive rate of total return, measured in US Dollars. The Fund will seek to achieve its investment objective by investing primarily in high yield and unrated US Dollar denominated Fixed Income Securities, including without limitation those issued by governments, agencies and corporations located in emerging markets and for the avoidance of doubt and subject to applicable law, including asset-backed securities and loan participations and loan assignments, to the extent that these instruments are securitised.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange

traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

High yield Fixed Income Security means a Fixed Income Security that has a rating less than “BBB-” by S&P or “Baa3” by Moody’s or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund may, on an ancillary basis, invest in higher quality Fixed Income Securities and non-USD denominated Fixed Income Securities. The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the US Dollar High Yield Bond Fund’s investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

US DOLLAR SHORT DURATION BOND FUND

The US Dollar Short Duration Bond Fund’s investment objective is to provide an attractive rate of return, measured in US Dollars. The Fund will seek to achieve its investment objective by investing primarily in high quality USD denominated Fixed Income Securities, and for the avoidance of doubt including asset backed securities. The weighted average duration of the Fund will normally be less than 1 year, although this may be higher under certain market conditions.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Securities will be deemed to be high quality if at the time of purchase they are rated either “BBB-” or better by Standard & Poor’s Corporation (“S&P”) or “Baa3” or better by Moody’s Investors Service, Inc. (“Moody’s”), or similarly rated by another

internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser. The Fund may continue to invest in such securities that are downgraded after purchase but may not make additional purchases of such securities.

Profile of the typical investor

In light of the US Dollar Short Duration Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

US DOLLAR SHORT DURATION HIGH YIELD BOND FUND

The US Dollar Short Duration High Yield Bond Fund's investment objective is to provide an attractive rate of total return, measured in USD. The Fund will seek to achieve its investment objective by investing primarily in high yield and unrated USD denominated Fixed Income Securities, including without limitation those issued by governments, agencies and corporations located in emerging markets and for the avoidance of doubt and subject to applicable law, including asset-backed securities, loan participations and loan assignments, to the extent that these instruments are securitised.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The weighted average duration of the Fund will normally be less than 3 years, although this may be higher under certain market conditions.

High Yield Fixed Income Security means a Fixed Income Security that has a rating less than "BBB-" by S&P or "Baa3" by Moody's or similarly rated by another internationally recognised rating service or determined to be of similar creditworthiness by the Investment Adviser.

The Fund may, on an ancillary basis, invest in:

- Higher quality Fixed Income Securities; and
- Non-USD denominated Fixed Income Securities.

The Fund may also invest, to a limited extent, in loan participations and loan assignments to the extent these constitute money market instruments.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the US Dollar Short Duration High Yield Bond Fund's investment objective it may be appropriate for investors who:

- seek to invest in Fixed Income Securities;
- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

LIQUIDITY FUND

The Liquidity Fund has the following objectives:

US DOLLAR LIQUIDITY FUND

The US Dollar Liquidity Fund (the "Feeder Fund") is a feeder fund of the Morgan Stanley Liquidity Funds – US Dollar Liquidity Fund (the "Master Fund"). The Feeder Fund will at all times invest at least 85% of its assets in shares of the Master Fund whilst it may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits.

The investment objective of the Feeder Fund is to provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital. The Feeder Fund seeks to achieve its investment objective by investing substantially all of its assets in shares of the Master Fund. The Feeder Fund does not invest in money market instruments directly and will only obtain its exposure to money market instruments through its investment in the Master Fund. The investment objective and risk profile of the Master Fund are set out below.

It is expected, although it cannot be assured, that the Feeder Fund's Net Asset Value per Share of Distributing Share Classes will remain stable at \$1.00, through the distribution of dividends. The Accumulating Shares in the Feeder Fund shall retain any net income and/or capital gains attributable to such Shares in accordance with Section 2.9 "Dividend Policy", which causes their value to change.

As the Master Fund will have short weighted average maturity and weighted average life, investment in the Master Fund is expected to carry less risks of loss and potential for return for investors as would otherwise be the case if the Master Fund would have longer weighted average maturity and weighted average life.

Profile of the typical investor

In light of the US Dollar Liquidity Fund's investment objective it may be appropriate for investors who:

- seek to invest in a liquidity fund;
- seek liquidity from their investments;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

Master Fund's Investment Objective

The Master Fund's investment objective is to provide liquidity and an attractive rate of income relative to short term interest rates, to the extent consistent with the preservation of capital. The Master Fund will seek to achieve its investment objective primarily by investing in high quality short-term money market instruments comprising transferable debt securities (which may include by way of example fixed or floating rate instruments including without limitation commercial paper, certificates of deposit, freely transferable promissory notes, government and corporate bonds and asset-backed securities) that are denominated in US Dollars. The debt securities acquired will be listed or traded on stock exchanges or a Regulated Market or an Other Regulated Market. The Master Fund may also invest in money market instruments other than those dealt on a Regulated Market or on an Other Regulated Market as described under point (8) of the heading "Investment Restrictions" above. All money market instruments acquired will a) have a maturity at issuance of up to and including 397 days; or b) have a residual maturity of up to and including 397 days; or c) undergo regular yield adjustments in line with money market conditions at least every 397 days; or d) their risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity as referred to in points a) or b), or are subject to a yield adjustment as referred to in point c).

The Master Fund may on an ancillary basis, invest in non US Dollar denominated debt securities (which it will seek to hedge back to the US Dollar as part of its efficient portfolio management strategies).

It may also hold cash and cash equivalents, including time deposits in depository institutions.

The Master Fund will have a weighted average maturity of no more than 60 days and a weighted average life of no more than 120 days. The Master Fund is classified as a Short-Term Money Market Fund.

The Master Fund does not currently invest in financial derivative instruments but may do so in the future and may utilise efficient

portfolio management techniques and instruments in accordance with applicable requirements and limits.

It is expected, although it cannot be assured, that the net asset value per share of the distributing shares in the Master Fund will remain stable at \$1.00, through the distribution of dividends. The accumulation shares in the Master Fund retain any net income and/or capital gains attributable to such shares, which causes their value to change.

Profile of the typical investor of the Master Fund

The Master Fund may be appropriate for investors who seek to invest in a liquidity fund and seek liquidity from their investments.

The performance of the Feeder Fund is expected to be broadly in line with that of the Master Fund subject to its level of investment in the Master Fund and safe for additional fund expenses at the level of the Feeder Fund which will affect its performance.

Reliance on the Master Fund

The ability of the Feeder Fund to accept and process orders for subscription and redemption is dependent on the Master Fund. In the event that the Master Fund fails or refuses to process an order for subscription or redemption, or fails to settle an order for redemption, the Feeder Fund shall not be able to process an investor's subscription or redemption order, or pay redemption monies.

In the event that the Master Fund is closed to subscriptions and/or redemptions, or during any period in which the calculation of the net asset value of the Master Fund has been suspended, the Feeder Fund shall not be able to process any orders for subscription or redemptions it receives and the Directors are likely to resolve to suspend the Net Asset Value calculation in those circumstances, in accordance with Section 2.7. "temporary suspension of the calculation of the Net Asset Value".

Investors should review the prospectus of the Master Fund for a full description of the circumstances in which the Master Fund may be suspended or may otherwise refuse to accept orders for subscription or redemption.

In addition, the ability of the Feeder Fund to offer Shares at a stable Net Asset Value per Share of \$1.00 is dependent on the net asset value at which shares in the Master Fund are made available. In the event that the Master Fund offers shares at a variable net asset value the Net Asset Value per Share in the Feeder Fund shall be impacted accordingly.

As the Feeder Fund invests into the Master Fund, the Feeder Fund will also be subject to specific risks associated with its investment into the Master Fund as well as specific risks incurred at the level of the Master Fund and its investments. Therefore, before investing

in Shares, prospective investors should carefully read the description of the risk factors relating to an investment in the Master Fund as disclosed in the prospectus of the Master Fund including Market Risks, Stable Net Asset Value and Section 1.5 “Risk Factors” including but not limited to special risk considerations applicable to repurchase agreements. These risk considerations apply to both the Feeder Fund and the Master Fund.

ASSET ALLOCATION FUNDS

The following Asset Allocation Funds have the following objectives:

DIVERSIFIED ALPHA PLUS FUND

The Diversified Alpha Plus Fund’s investment objective is to provide an absolute return, measured in Euros, while actively managing total portfolio risk. The Investment Adviser seeks to manage downside risk and targets below market volatility.

The Fund will seek to achieve its investment objective by investing in baskets of stocks, ETFs, bonds and derivatives.

The Fund may take both long and short positions, either directly or (specifically in the case of short positions) through the use of derivatives as described below, in a diversified range of equity and equity related securities of any market capitalisation, Fixed Income Securities, currencies and commodities. The Fund will only take indirect exposure to commodities, by investing into eligible structured products such as commodity-linked notes the underlying of which are commodity indices and/or sub-indices, and/or derivative instruments referencing one or more commodity indices qualifying as financial indices under UCITS Regulations. When using such indices, the Fund must comply with the diversification limits set out in the UCITS Regulations: each component of a financial index may represent up to 20% of the index, except that in exceptional market circumstances one single component may represent up to 35% of the index.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also make the following investments or use the following financial instruments:

- i. currency spot transactions, currency forward transactions, non-deliverable currency forward transactions and Money Market Funds, the assets of which may be managed by the Investment Adviser or any of its related, associated or affiliated companies; and/or

- ii. deposits, fixed or floating rate instruments (including but not limited to commercial paper), floating rate notes, certificates of deposit, debentures, asset backed securities and government or corporate bonds, cash and cash equivalents and/or

- iii. up to 10% of the Fund may be invested in accordance with paragraph 2.2. of Appendix A.

The Investment Adviser will utilize a top-down, global macroeconomic and thematic investment approach that focuses on asset class, sector, region and country selection, as opposed to individual security selection. The Fund’s allocations will be based upon the Investment Adviser’s evaluations and analyses, taking into account its fundamental investment research, which is primarily driven by quantitative macroeconomic and market data.

Investment decisions will be made without regard to any particular limit, subject to Appendix A, as to geographical location, sector, credit rating, maturity, currency denomination or market capitalization. The Fund may invest in any country, including developing or emerging market countries. The Fund’s investments may be denominated in Euros or in currencies other than the Euro.

Profile of typical investor

In light of the Diversified Alpha Plus Fund’s investment objective it may be appropriate for investors who:

- seek a return over the medium term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

DIVERSIFIED ALPHA PLUS LOW VOLATILITY FUND

The Diversified Alpha Plus Low Volatility Fund’s investment objective is to provide an absolute return, measured in Euros, while actively managing total portfolio risk. The Investment Adviser seeks to manage downside risk and to target volatility below that of the Diversified Alpha Plus Fund.

The Fund will seek to achieve its investment objective by investing in baskets of stocks, ETFs, bonds and derivatives.

The Fund may take both long and short positions, either directly or (specifically in the case of short positions) through the use of derivatives as described below, in a diversified range of equity and equity related securities of any market capitalisation, Fixed Income Securities, currencies and commodities. The Fund will only take indirect exposure to commodities, by investing into eligible structured products such as commodity-linked notes the underlying of which are commodity indices and/or sub-indices and/or derivative instruments referencing one or more commodity indices

qualifying as financial indices under UCITS Regulations. When using such indices, the Fund must comply with the diversification limits set out in the UCITS Regulations: each component of a financial index may represent up to 20% of the index, except that in exceptional market circumstances one single component may represent up to 35% of the index.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, swaps and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may also make the following investments or use the following financial instruments:

- i. currency spot transactions, currency forward transactions, non-deliverable currency forward transactions and Money Market Funds, the assets of which may be managed by the Investment Adviser or any of its related, associated or affiliated companies; and/or
- ii. deposits, fixed or floating rate instruments (including but not limited to commercial paper), floating rate notes, certificates of deposit, debentures, asset backed securities and government or corporate bonds, cash and cash equivalents; and/or
- iii. up to 10% of the Fund may be invested in accordance with paragraph 2.2. of Appendix A.

The Investment Adviser will utilize a top-down, global macroeconomic and thematic investment approach that focuses on asset class, sector, region and country selection, as opposed to individual security selection. The Fund's allocations will be based upon the Investment Adviser's evaluations and analyses, taking into account its fundamental investment research, which is primarily driven by quantitative macroeconomic and market data.

Investment decisions will be made without regard to any particular limit, subject to Appendix A, as to geographical location, sector, credit rating, maturity, currency denomination or market capitalization. The Fund may invest in any country, including developing or emerging market countries. The Fund's investments may be denominated in Euros or in currencies other than the Euro.

Profile of typical investor

In light of the Diversified Alpha Plus Low Volatility Fund's investment objective it may be appropriate for investors who:

- seek a return over the medium term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;

- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED FUND

The Global Balanced Fund's investment objective is to provide an attractive level of total return, measured in Euro, through investing primarily in a portfolio of transferable securities and money market instruments globally and through the use of financial derivative instruments.

The Fund will implement top-down, tactical views on global asset classes across (1) equity including closed-end Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) cash and money market instruments.

The Investment Adviser's tactical view will be implemented by accessing the following investment universe:

- Primary investments: equity securities, including closed-end Real Estate Investment Trusts (REITS); Fixed Income Securities (including investment grade, non-investment grade and unrated); money market instruments and cash. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments to achieve its investment objective and derivatives may be used for both investment and hedging purposes. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.
- Ancillary investments: other transferable securities or, to a limited extent, to collective investment schemes including the Company's Funds and open-ended ETFs.

The Investment Adviser anticipates it will predominantly employ the following investment strategies:

- Global asset allocation: investing in securities in line with individual asset class indices. The Investment Adviser will select the indices which will be used to make tactical views globally across (1) equity securities including Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) cash and money market instruments. The Investment Adviser may use on or off exchange traded derivatives such as futures or swaps to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities, investing via derivatives is a preferable investment option in the Investment Adviser's opinion.
- ESG screening: in addition, the Investment Adviser may consider environmental, social and governance ("ESG") factors on a bottom-up basis; where investing directly in transferable securities, the Investment Adviser may consider the relative

ranking of issuers for ESG factors as part of assessing the potential for return and as part of managing total portfolio risk.

The Investment Adviser may use additional investment strategies such as:

- Commodity-linked investments: the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.
- Use of cash and derivatives for efficient portfolio management: the Fund may also invest in cash and cash equivalents, warrants, exchange traded and over-the-counter options, and other derivatives for efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities. The Fund aims to manage total portfolio risk by managing the volatility level of the portfolio.

Profile of a typical investor

In light of the Global Balanced Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the long term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED DEFENSIVE FUND

The investment objective of the Global Balanced Defensive Fund is to provide an attractive level of total return, measured in Euro, through investing primarily in a portfolio of transferable securities and money market instruments globally and through the use of financial derivative instruments. The Investment Adviser seeks to manage total portfolio risk and to target volatility below that of the Global Balanced Fund.

The Fund will implement top-down, tactical views on global asset classes across (1) equity including closed-end Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) cash and money market instruments.

The Investment Adviser's tactical view will be implemented by accessing the following investment universe:

- Primary investments: equity securities, including closed-end Real Estate Investment Trusts (REITS); Fixed Income Securities (including investment grade, non-investment grade and

unrated); money market instruments and cash. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments to achieve its investment objective and derivatives may be used for both investment and hedging purposes. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.

- Ancillary investments: other transferable securities or, to a limited extent, to collective investment schemes including the Company's Funds and ETFs.

The Investment Adviser anticipates it will predominantly employ the following investment strategies:

- Global asset allocation: investing in securities in line with individual asset class indices. The Investment Adviser will select the indices which will be used to make tactical views globally across (1) equity securities including Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) cash and money market instruments. The Investment Adviser may use on or off exchange traded derivatives such as futures or swaps to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities, investing via derivatives is a preferable investment option in the Investment Adviser's opinion.
- ESG screening: in addition, the Investment Adviser may consider environmental, social and governance ("ESG") factors on a bottom-up basis; where investing directly in transferable securities, the Investment Adviser may consider the relative ranking of issuers for ESG factors as part of assessing the potential for return and as part of managing total portfolio risk.

The Investment Adviser may use additional investment strategies such as:

- Commodity-linked investments: the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.
- Use of cash and derivatives for efficient portfolio management: the Fund may also invest in cash and cash equivalents, warrants, exchange traded and over-the-counter options, and other derivatives for efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities. The Fund aims to manage total portfolio risk by managing the volatility level of the portfolio.

In light of the Global Balanced Defensive Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the long term;
- seek a balanced investment that focuses on those asset classes the Investment Adviser finds tactically most attractive;
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED INCOME FUND

The investment objective of the Global Balanced Income Fund is to provide regular income and capital appreciation, measured in Euro, through investing primarily in a portfolio of transferable securities and money market instruments globally and through the use of financial derivative instruments.

The Fund will implement top-down, tactical views on global asset classes across (1) equity including closed-end Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) cash and money market instruments. The Investment Adviser's tactical view will be implemented by accessing the following investment universe:

- Primary investments: equity securities, including closed-end Real Estate Investment Trusts (REITS), Fixed Income Securities, (including investment grade, non-investment grade and unrated; money market instruments and cash. This investment may be direct, or via derivatives. The Fund may invest in financial derivative instruments to achieve its investment objective and derivatives may be used for both investment and hedging purposes. These derivative instruments may include but are not limited to futures, options, warrants, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments and swap contracts, whether traded on or off exchange.
- Ancillary investments: other transferable securities or, to a limited extent, to UCIs including the Company's Funds and ETFs.

The Investment Adviser anticipates it will predominantly employ the following investment strategies:

- Global asset allocation: investing in securities in line with individual asset class indices. The Investment Adviser will select the indices which will be used to make tactical views globally across (1) equity securities including Real Estate Investment Trusts (REITS); (2) Fixed Income Securities; and (3) cash and money market instruments. The Investment Adviser may use on or off exchange traded derivatives such as futures or swaps to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities, investing via derivatives is a preferable investment option in the Investment Adviser's opinion.

- Income generation: in addition to purchasing income generating transferable securities, additional income will be sought through the receipt of premiums as a result of writing on or off exchange traded options, which may be written on indices; single securities; or currencies.

The Investment Adviser may use additional investment strategies such as:

- Commodity-linked investments: the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes.
- Use of cash and derivatives for efficient portfolio management: the Fund may also invest in cash warrants, exchange traded and over-the-counter options, and other derivatives for efficient portfolio management (including hedging) purposes as well as for the investment purposes as outlined above.
- Use of open and closed ended UCIs, including the Company's Funds and ETFs; the Investment Adviser would primarily use UCIs and ETFs to gain diversified and/or more efficient exposure to specific global markets where due to the intended allocation size or due to inefficiencies in transacting directly in the underlying securities an UCI or ETF is a preferable investment option in the Investment Adviser's opinion.

The Fund's investments may result in exposure to emerging markets and to higher yielding securities. The Fund aims to manage total portfolio risk by managing the volatility level of the portfolio.

Profile of the typical investor

In light of the Global Balanced Income Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL BALANCED RISK CONTROL FUND OF FUNDS

The investment objective of the Global Balanced Risk Control Fund of Funds is to invest in units/shares of other collective investment schemes to provide an attractive level of total return, measured in Euro, while actively managing total portfolio risk. The Fund will implement tactical views on global fixed income and equity asset classes by investing primarily in undertakings for collective investments ("UCI") including the Company's Funds, ETFs, futures, investment funds managed by the Investment Adviser or its affiliates and other collective investment schemes.

On an ancillary basis and with a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) implement tactical views on commodities via exchange traded commodities (ETCs) and/or commodity linked notes, and may also invest in cash, warrants, exchange traded and over-the-counter options, and other derivatives for investment or efficient portfolio management (including hedging) purposes. The Fund's investments may result in exposure to emerging markets and to higher yielding securities. The Fund aims to manage total portfolio risk by managing the volatility level of the portfolio as measured by an absolute Value at Risk methodology.

Profile of the typical investor

In light of the Global Balanced Risk Control Fund of Funds' investment objective it may be appropriate for investors who:

- seek capital appreciation over the long term;
- seek income whether in the form of capital appreciation or distributions, as outlined in "Dividend Policy";
- accept the risks associated with this type of investment, as set out in Section 1.5 "Risk Factors".

GLOBAL MULTI-ASSET INCOME FUND

The Global Multi-Asset Income Fund seeks to maximize current income with consideration for capital appreciation over time, measured in Euros. The Investment Adviser's investment views will be implemented primarily by accessing the following universe of instruments:

- Global equity and equity-linked securities, including common and preferred stocks, depositary receipts, convertible securities, closed-end Real Estate Investment Trusts ("REITs"), rights and warrants to purchase equity securities, closed end funds and closed end ETFs.
- Global Fixed Income Securities (including investment grade, non-investment grade and unrated), including for the avoidance of doubt asset backed securities and money market instruments.
- Money market instruments and cash (including foreign currency investments).

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange-traded and over-the-counter options, futures and other derivatives for investment or efficient portfolio management (including hedging) purposes. "Global" in this context means that the Fund may invest in any country or currency worldwide, subject always to the investment powers and restrictions set out in Appendix A.

The Fund may invest on an ancillary basis in commodity linked transferable securities, the underlying of which are commodity indices and/or sub-indices, the value of which is linked to the value or movement of the returns of a commodity or basket of commodities or commodity derivatives contract, subject always to the investment powers and restrictions set out in Appendix A.

The Fund may invest to a limited extent in units/shares of collective investment schemes, including the Company's Funds and open end ETFs.

The Investment Adviser will utilize a top-down, global macroeconomic and thematic investment approach that focuses on asset class, sector, region and country selection, as opposed to individual security selection. The Fund's allocations will be based upon the Investment Adviser's evaluations and analyses, taking into account its fundamental investment research, primarily driven by quantitative macroeconomic and market data.

Investment decisions will be made without regard to any particular limit as to geographical location, sector, credit rating, maturity, currency denomination or market capitalization. The Fund may invest in any country, including developing or emerging market countries. The Fund's investments may be denominated in Euros or in currencies other than the Euro.

Income Generation

A portion of the Fund's investments will normally be allocated to income generating transferable securities, which, based upon the Investment Adviser's analysis, have the potential to generate premium yield to that available at any given time in global equities.

In addition to purchasing income generating transferable securities, additional income will be sought through the receipt of premiums as a result of writing on or off exchange-traded options. In executing the option writing strategy of the Fund, the Investment Adviser will write (i.e. sell) call options and/or put options on broad-based equity indices and/or securities held in the Fund and may write options on exchange-traded funds ("ETFs") and/or baskets of securities in an attempt to generate current income from option premiums as a means of enhancing distributions paid to shareholders. The Fund may also invest a portion of its assets in repurchase agreements.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of the typical investor

In light of the Global Multi-Asset Income Fund's investment objective it may be appropriate for investors who:

- seek capital appreciation over the long term;

- seek income whether in the form of capital appreciation or distributions, as outlined in “Dividend Policy”;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

ALTERNATIVE INVESTMENT FUNDS

The following Alternative Investment Funds have the following objectives:

LIQUID ALPHA CAPTURE FUND

The investment objective of the Liquid Alpha Capture Fund is to provide an attractive level of total return, measured in US Dollars, through investment in a global portfolio of financial instruments including equity securities and Fixed Income Securities of all types.

For the avoidance of doubt, the Fund may invest in depositary receipts, debt securities convertible into equity securities, equity-linked securities, preference shares, closed-ended ETFs and rights and warrants to purchase equity securities.

With a view to enhancing returns and/or as part of the investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, forwards, swaps, options on swaps (swaptions) and other derivatives for investment or efficient portfolio management (including hedging) purposes.

The Fund may invest to a limited extent in collective investment schemes and open-ended ETFs.

The Fund will use a range of investment strategies in order to achieve its investment objective. Securities will be used in order to gain exposure to the performance of a range of strategies commonly used by hedge funds including, but not limited to, long short security selection (‘alpha strategies’) and alternative beta or trading strategies (‘alternative beta strategies’). The Fund intends to provide access to this hedge fund performance by investing only in securities whose liquidity profile is consistent with that of a daily dealing fund.

Alpha strategies seek to achieve an attractive level of return relative to a benchmark through investment in equity securities combined with synthetic short exposure to the benchmark. Alternative beta strategies include a range of trading strategies that isolate risk premiums within hedge fund returns. The Investment Adviser will seek to allocate the portfolio across Alpha strategies and Alternatives Beta strategies in order to provide an attractive level of total return while managing total portfolio risk.

The Fund may also seek exposure to volatility as an investment strategy. Volatility as an investment strategy typically involves making an investment decision based on the comparison between

implied volatility (e.g. the price of options on the reference assets can show the market’s view of anticipated volatility on a forward basis) and realised volatility (i.e. that actually experienced by the reference assets). The Fund may obtain this exposure by use of derivatives, collective investment schemes, or other eligible assets providing such exposure.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of typical investor

In light of the Fund’s investment objective it may be appropriate for investors who:

- seek a return over the medium-term with lower volatility than traditional equity markets;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

LIQUID ALTERNATIVES FUND

The investment objective of the Liquid Alternatives Fund is to provide an attractive level of return, measured in US Dollars, while managing total portfolio risk. The Fund will seek to achieve its investment objective through investment primarily in non-traditional asset classes either by investment in collective investment schemes or direct investment in eligible assets including equity securities, Fixed Income Securities, derivatives, ETFs and exchange traded notes.

Through the use of eligible assets the Fund will seek to gain exposure to non-traditional asset classes, including, but are not limited to: emerging markets debt; high yield debt; convertible bonds; inflation linked bonds; real estate (as described below); commodities; frontier emerging markets; insurance linked strategies; mortgage backed securities; infrastructure (as described below); private equity investments (as described below); and in collective investment schemes whose objectives may be to provide absolute returns through active portfolio management.

With a view to enhancing returns and/or as part of the primary investment strategy, the Fund may (in accordance with the investment powers and restrictions set out in Appendix A) make use of exchange traded and over-the-counter options, futures, forwards, swaps, options on swaps (swaptions) and other derivatives for investment or efficient portfolio management (including hedging) purposes.

Investments in collective investment schemes whose objectives are to provide absolute returns include, but are not limited to, the following strategies: relative value strategies, security selection strategies, directional strategies and global macro and commodity trading advisor (CTA) strategies.

Investments in real estate, infrastructure or private equity may be made via investment in eligible securities issued by companies that have the majority of their assets invested in or exposed to infrastructure or private equity and / or eligible collective investment vehicles with such exposure, such as publicly quoted unit trusts; closed-end Real Estate Investment Trusts (REITs) and undertakings for collective investment (UCIs). For these purposes, “exposed” includes, among other things, companies that are remunerated for acting as the manager or operator of a private equity or infrastructure collective investment vehicle or asset.

Investments in commodities may be made via undertakings for collective investments (UCI), exchange traded commodities (ETCs) and/or commodity linked notes.

The Fund may also seek exposure to volatility as an investment strategy. Volatility as an investment strategy typically involves making an investment decision based on the comparison between implied volatility (e.g. the price of options on the reference assets can show the market’s view of anticipated volatility on a forward basis) and realised volatility (i.e. that actually experienced by the reference assets). The Fund may obtain this exposure by use of derivatives, collective investment schemes, or other eligible assets providing such exposure.

Investment in collective investment schemes may include collective investment schemes managed by parties unaffiliated with the Investment Adviser, ETFs, closed-end funds, investment funds managed by the Investment Adviser or its affiliates and the Company’s Funds.

On an ancillary basis the Fund may invest in equity and Fixed Income Securities not meeting the definition of primary investments above, warrants, cash and cash equivalents.

The Fund may invest no more than 20% of its assets in Contingent Convertible Instruments.

Profile of typical investor

In light of the Liquid Alternatives Fund’s investment objective it may be appropriate for investors who:

- seek a return over the medium term which has a low correlation to the return of traditional equity markets;
- are willing to place reliance on the Investment Adviser’s tactical allocation across any alternative asset class at any time;
- accept the risks associated with this type of investment, as set out in Section 1.5 “Risk Factors”.

This Fund is not suitable for other UCITS Funds to invest in, as it may have a greater than 10% exposure to UCITS and/or other UCIs, as set out in Appendix A.

1.3 Methodology for Calculating the Global Exposure

The Management Company has implemented a risk management process for each Fund in order to comply with its obligations under the UCITS Directive. The Management Company may calculate global exposure for the Fund using the commitment approach, relative VaR or absolute VaR.

The selection of the appropriate methodology for calculating global exposure is made by the Management Company based upon a consideration of the following factors:

- i. whether the Fund engages in complex investment strategies which represent a significant part of the Fund's investment policy;
- ii. whether the Fund has a significant exposure to exotic derivatives; and/or
- iii. whether the commitment approach adequately captures the market risk of the Fund's portfolio.

The selection of relative VaR or absolute VaR will depend on whether the Fund has a leverage free Reference Portfolio which reflects its investment strategy. The Reference Portfolios adopted by the Funds are standard, widely-used industry indices.

Classification of a Fund will depend on a consideration of each of these factors and the fact that a Fund is authorised to use derivative instruments for investment purposes will not automatically, in isolation, mean that the global exposure of that Fund will be calculated using either relative or absolute VaR approach.

The table below sets out the methodology which the Management Company has adopted for each Fund in order to calculate the global exposure and the expected leverage for the Funds using the VaR approach, as defined by the UCITS Regulations.

Expected Leverage is provided using the 'sum of the notionals of the derivatives used' methodology as per the ESMA Guidelines 10-788.

Expected leverage is provided at a Fund level, however the Fund's actual level of leverage may be higher or lower than the disclosed expected leverage in the table below. Specific hedged share classes may have higher or lower levels of expected leverage than indicated at the Fund level.

Expected leverage is not a regulatory limit on the Fund and there may be no action as a result of the actual leverage being higher or lower than the disclosed expected leverage.

Derivatives usage is consistent with the investment objective and the risk profile of the Fund. The 'sum of notionals' calculation does not allow netting or hedging. The expected leverage using the 'sum of notionals' calculation may not reflect the investment risk associated with the derivative positions held in the Fund.

Additional information about the realized range of leverage employed by the relevant Funds can be found in the Annual Report.

| Fund Name | Global Exposure Methodology | Reference Portfolio | Expected Gross Leverage |
|---|-----------------------------|---|-------------------------|
| Absolute Return Fixed Income Fund | Absolute VaR | N/A | 160% |
| Asia Opportunity Fund | Commitment | N/A | N/A |
| Asian Equity Fund | Commitment | N/A | N/A |
| Asian Fixed Income Opportunities Fund | Relative VaR | JP Morgan Asia Credit Index | 100% |
| Asia-Pacific Equity Fund | Commitment | N/A | N/A |
| Asian Property Fund | Commitment | N/A | N/A |
| Breakout Nations Fund | Relative VaR | MSCI Emerging Markets Index | 130% |
| Diversified Alpha Plus Fund | Absolute VaR | N/A | 500% |
| Diversified Alpha Plus Low Volatility Fund | Absolute VaR | N/A | 300% |
| Emerging Europe, Middle East and Africa Equity Fund | Commitment | N/A | N/A |
| Emerging Leaders Equity Fund | Commitment | N/A | N/A |
| Emerging Markets Corporate Debt Fund | Relative VaR | JP Morgan Corporate Emerging Markets Bond Index – Broad Diversified | 100% |
| Emerging Markets Debt Fund | Relative VaR | JP Morgan Emerging Markets Bond Index Global | 100% |

| Fund Name | Global Exposure Methodology | Reference Portfolio | Expected Gross Leverage |
|--|------------------------------------|---|--------------------------------|
| Emerging Markets Domestic Debt Fund | Relative VaR | JP Morgan Government Bond Index- Emerging Markets Global Diversified Index | 100% |
| Emerging Markets Equity Fund | Commitment | N/A | N/A |
| Emerging Markets Fixed Income Opportunities Fund | Relative VaR | Even blend of: (1) JP Morgan GBI-EM Global Diversified Index; (2) JP Morgan Emerging Markets Bond Index Global; and (3) JP Morgan Corporate Emerging Markets Bond Index-Broad Diversified | 100% |
| Euro Bond Fund | Relative VaR | Barclays Euro Aggregate A- or Better Index | 100% |
| Euro Corporate Bond Fund | Relative VaR | Barclays Euro-Aggregate Corporates Index | 100% |
| Euro Strategic Bond Fund | Relative VaR | Barclays Euro Aggregate Index | 130% |
| European Currencies High Yield Bond Fund | Relative VaR | BofA ML European Currency High Yield 3% Constrained Ex-Sub Financials Index | 100% |
| European Champions Fund | Commitment | N/A | N/A |
| European Equity Alpha Fund | Commitment | N/A | N/A |
| European Property Fund | Commitment | N/A | N/A |
| Eurozone Equity Alpha Fund | Commitment | N/A | N/A |
| Frontier Emerging Markets Equity Fund | Commitment | N/A | N/A |
| Global Active Factor Equity Fund | Commitment | N/A | N/A |
| Global Advantage Fund | Commitment | N/A | N/A |
| Global Balanced Fund | Absolute VaR | N/A | 100% |
| Global Balanced Defensive Fund | Absolute VaR | N/A | 100% |
| Global Balanced Income Fund | Absolute VaR | N/A | 100% |
| Global Balanced Risk Control Fund of Funds | Absolute VaR | N/A | 50% |
| Global Bond Fund | Relative VaR | Barclays Global Aggregate Index | 200% |
| Global Brands Equity Income Fund | Absolute VaR | N/A | 200% |
| Global Brands Fund | Commitment | N/A | N/A |
| Global Buy and Hold 2020 Bond Fund | Commitment | N/A | N/A |
| Global Buy and Maintain Bond Fund | Relative VaR | Barclays Capital Global Aggregate Corporate Index | 195% |
| Global Convertible Bond Fund | Relative VaR | Thomson Reuters Global Convertible Index Global Focus Hedged USD | 100% |
| Global Credit Fund | Relative VaR | Barclays Global Aggregate Corporate Index | 160% |
| Global Discovery Fund | Commitment | N/A | N/A |
| Global Fixed Income Opportunities Fund | Relative VaR | Barclays Global Aggregate Index | 160% |
| Global High Yield Bond Fund | Relative VaR | Barclays Global High Yield – Corporate Index | 100% |
| Global Infrastructure Fund | Commitment | N/A | N/A |
| Global Multi-Asset Income Fund | Relative VaR | 50% MSCI All-Country World Index and 50% Barclays Capital Global Aggregate Bond Index | 220% |
| Global Mortgage Securities Fund | Absolute VaR | N/A | 250% |

| Fund Name | Global Exposure Methodology | Reference Portfolio | Expected Gross Leverage |
|---|------------------------------------|---|--------------------------------|
| Global Opportunity Fund | Commitment | N/A | N/A |
| Global Premier Credit Fund | Relative VaR | Barclays Global Aggregate Corporate Index | 130% |
| Global Property Fund | Commitment | N/A | N/A |
| Global Quality Fund | Commitment | N/A | N/A |
| Indian Equity Fund | Commitment | N/A | N/A |
| International Equity (ex US) Fund | Commitment | N/A | N/A |
| Japanese Equity Fund | Commitment | N/A | N/A |
| Latin American Equity Fund | Commitment | N/A | N/A |
| Liquid Alpha Capture Fund | Absolute VaR | N/A | 300% |
| Liquid Alternatives Fund | Absolute VaR | N/A | 125% |
| Short Maturity Euro Bond Fund | Commitment | N/A | N/A |
| US Active Factor Equity Fund | Commitment | N/A | N/A |
| US Advantage Fund | Commitment | N/A | N/A |
| US Dollar Corporate Bond Fund | Relative VaR | Barclays US Corporate Index | 100% |
| US Dollar High Yield Bond Fund | Relative VaR | Barclays US Corporate High Yield Index | 100% |
| US Dollar Liquidity Fund | Commitment | N/A | N/A |
| US Dollar Short Duration Bond Fund | Commitment | N/A | N/A |
| US Dollar Short Duration High Yield Bond Fund | Relative VaR | Barclays US High Yield 1-5 Year Cash Pay 2% Issuer Capped Index | 100% |
| US Growth Fund | Commitment | N/A | N/A |
| US Insight Fund | Commitment | N/A | N/A |
| US Mid Cap Growth Fund | Commitment | N/A | N/A |
| US Property Fund | Commitment | N/A | N/A |

1.4 Financial Indices

Funds may, in accordance with their investment policy and the investment restrictions under Appendix A paragraph 2.6, invest in financial derivative instruments based on financial indices which are eligible in accordance with article 9 of the Grand-Ducal Regulation of 8 February 2008.

To the extent consistent with the prevailing investment policy, Funds may obtain exposure, in the discretion of the Investment Adviser, to indices which may not be named specifically in the investment policy, subject always to compliance with the ESMA guidelines 2014/937 on ETF and other UCITS issues. In particular, the Funds will not invest in financial derivative instruments based on financial indices with a daily or intra-day rebalancing frequency or in indices whose methodology for the selection and the re-balancing of their components is not based on a set of pre-determined rules and objective criteria.

1.5 Risk Factors

This Section of the Prospectus explains the risks that apply to the Funds – investors must read these risk considerations before investing in any of the Company's Funds.

The risk factors set out in Section 1.5.1 General Risk Factors may apply to all of the Company's Funds. The table in Section 1.5.2 sets out which of the risk factors set out the Specific Risk Factors section that may potentially also apply to the Company's Funds at the time of the issue of this Prospectus based on their respective investment objectives. Specific risk factors may apply to each Fund to varying degrees, and the exposure to specific risk factors will also vary over time. Additionally, risks may arise in the future which could not have been foreseen in advance. This Prospectus will be regularly updated to reflect any changes to the risk factors set out in Section 1.5.1 General Risk Factors and Section 1.5.2 Specific Risk Factors.

1.5.1. GENERAL RISK FACTORS

GENERAL RISK

Past performance is not a guide to future performance and the Funds, other than the Liquidity Funds, should be regarded as medium to long-term investments. Investments in Funds are subject to market fluctuations and other risks inherent to investing in securities and other financial instruments. The price of the Shares can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to a Sales Charge, as further disclosed in Section 2.1. "Share Class Description" or transaction charge.

INVESTMENT OBJECTIVE

There is no guarantee or representation that the investment objective of the Company or a Fund will be achieved. Depending on market conditions and the macroeconomic environment, it may become more difficult or even impossible to achieve investment objectives.

MARKET RISK

Investors may experience losses due to changes in the level of one or more market prices, rates, indices, or other market factors. Market risk cannot be eliminated through diversification, though it can be hedged against. Sources of market risk include, but are not limited to, recessions, political turmoil, changes in monetary policies, etc.

CURRENCY RISK

The Funds may invest in investments denominated in a number of different currencies other than the Reference Currency in which the Funds are denominated. Changes in foreign currency exchange rates between the Reference Currency and the currency in which the investments are denominated will cause the value of the investments expressed in the Reference Currency to differ.

Funds that have the ability to invest in overseas assets may be subject to currency volatility including currency devaluation. Currency movements may impact the value of the Fund's assets. The Funds may use derivatives to reduce this risk. However, certain market conditions may make it impossible or uneconomical to hedge against currency risk. The Company may in its discretion choose not to hedge against currency risk within the Funds.

Share Class Currency

Certain Share Classes of certain Funds may be denominated in a currency other than the Reference Currency of the relevant Funds. Therefore changes in foreign currency exchange rates between the Reference Currency and the currency in which these Share Classes are denominated will cause the value of Shares held in such Funds to differ.

LIQUIDITY RISK

Liquidity risk exists when some of the Funds' investments may be difficult to sell due to unforeseen economic or market conditions, such as the deterioration in the creditworthiness of an issuer. In case of a large redemption request, the Funds may consequently not be able to sell certain assets to meet the redemption requirement or may not be able to sell certain assets at levels close to current valuation price.

COUNTERPARTY RISK

The Funds may enter into transactions with counterparties (which could be a company, government or other institution), thereby exposing them to the counterparties' creditworthiness and their ability to perform and fulfil their financial obligations. There exists a risk that the obligation of such counterparties will not be satisfied. This risk may arise at any time the Funds' assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. The weaker the financial strength of a counterparty, the greater the risk of that party failing to satisfy its obligations. The Net Asset Value of the Funds could be affected by any actual or anticipated breach of the party's obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

In addition, the Funds may enter into contracts with service providers and other third party contractors (the "Service Providers"). This risk means that in certain circumstances (including but not limited to force majeure events) the Service Providers may not be able to perform or fulfil their contractual obligations to the Funds. This could result in periods where the normal trading activity of the Funds may be affected or disrupted.

DEPOSITARY RISK

Country risk linked to the custody

The Management Company may decide from time to time to invest in a country where the Depositary has no correspondent. In such a case, the Depositary will have to identify and appoint after

due diligence a local custodian. This process may take time and deprive in the meantime the Management Company of investment opportunities.

In the same manner, the Depositary shall assess on an ongoing basis the custody risk of the country where the Company's assets are safe-kept. The Depositary may identify from time to time a custody risk in a jurisdiction and recommends to the Management Company to realize the investments immediately. In doing so, the price at which such assets will be sold may be lower than the price the Company would have received in normal circumstances, potentially affecting the performance of the relevant Funds.

Central Securities Depositaries

In accordance with the UCITS Directive, entrusting the custody of the Company's assets to the operator of a securities settlement system ("SSS") is not considered as a delegation by the Depositary and the depositary is exempted from the strict liability of restitution of assets. A central securities depositary ("CSD") being a legal person that operates a SSS and provides in addition other core services should not be considered as a delegate of the Depositary irrespective of the fact that the custody of the Company's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

CUSTODY RISK

The Assets of the Company are entrusted to the Depositary for safekeeping and are identified in the Depositary's books as belonging to the Company. Securities held by the Depositary are segregated from other assets of the Depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy of the Depositary. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

The Depositary may not keep all the assets of the Company itself but may use a network of sub-custodians which are not always part of the same group of companies as the Depositary. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

The Funds may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Funds that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability.

INFLATION/DEFLATION RISK

Inflation risk refers to the possibility of a reduction in the value of the income or assets as inflation decreases the value of money. The real value of a Fund's portfolio could decline as inflation increases. Deflation risk is the risk that prices throughout the economy may

decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

REGULATORY RISK

The Funds are domiciled in Luxembourg and investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, some of the Funds may be registered in non-EU jurisdictions and, as a result, may be subject, without any notice to the Shareholders in the Funds concerned, to more restrictive regulatory regimes. In such cases the Funds will abide by these more restrictive requirements. This may prevent the Funds from making the fullest possible use of the investment limits. Regulators are authorised to take extraordinary actions in the event of market emergencies. The effect of any future regulatory action on the Funds could be substantial and adverse.

SHARE CLASSES

Suspension of Share Class Dealing

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 2.3 Redemption of Shares and Section 2.4 Conversion of Shares).

Currency Hedged Share Classes

The Management Company may decide from time to time for some or all of the Funds to issue Currency Hedged Share Classes.

Currency Hedged Share Classes utilise hedging strategies to seek to limit exposure to currency movements between a Fund's Reference Currency, Investment Currencies or Index Currencies and the Currency Hedged Share Class is denominated in. The hedging strategy of the Currency Hedged Share Class does not seek to eliminate all currency exposure. Exchange rate risk exists as a result of movements between the currency of denomination of the Currency Hedged Share Class and the valuation currencies of the assets in which the Fund invests where these currencies differ from the Reference currency of the Fund.

Such hedging strategies used by the Investment Adviser(s) (or any agent appointed by the Investment Adviser(s)) may not completely eliminate exposure to such currency movements. There can be no guarantee that hedging strategies will be successful. Mismatches may result between a Fund's currency position and the Currency Hedged Share Classes issued for that Fund. Investors should be aware that certain market events or circumstances could result in the Investment Adviser(s) no longer being able to perform hedging transactions or that such strategies may no longer be economically viable.

The use of hedging strategies may substantially limit Currency Hedged Share Class shareholders from benefiting if the currency of the Currency Hedged Share Class falls against a Fund's Reference Currency, Investment Currencies or Index Currencies. The costs of

hedging and all gains/losses from hedging transactions are borne separately by the shareholders of the respective Currency Hedged Share Classes. Investors should also note that the hedging of Currency Hedged Share Classes is distinct from any hedging strategies that the Investment Adviser(s) may implement at the Fund level.

Non-deliverable Currencies

Several Emerging Markets, Frontier Markets and other non-developed markets' currencies are traded as cash settled, non-deliverable forwards, because they are either thinly traded or non-convertible. As such, where the Hedged Share Class Currency is non-deliverable the share class will be denominated, for subscription and redemption purposes, in a currency other than the Hedged Share Class Currency. For example, a Colombian Peso NAV Hedged Share Class may be subscribed or redeemed in US Dollar or Euro but the Fund's Reference Currency would be hedged to the Colombian Peso, notwithstanding it being denominated in US Dollar or Euro. Investors should note that additional exchange rate risk exists as a result of the movements between the non-deliverable currency denomination of the Currency Hedged Share Class and the valuation currencies of the assets in which the Fund invests where these currencies differ from the Reference currency of the Fund and the currency in which the shareholder subscribes or redeems.

Renminbi ("RMB") Currency Risk

Since 2005, the RMB exchange rate is no longer pegged to the US dollar. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. RMB exchange rate is also subject to exchange control policies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Republic of China. As the exchange rates are influenced by government policy and market forces, the exchange rates for RMB against other currencies, including US dollar and HK dollar, are susceptible to movements based on external factors. Accordingly, the investment in Classes denominated in RMB may be adversely affected by the fluctuations in the exchange rate between RMB and other foreign currencies.

RMB is currently not freely convertible and RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and restrictions imposed by the Chinese government. The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions.

Classes denominated in RMB, both hedged and unhedged, participate in the offshore RMB (CNH) market, which allows

investors to freely transact RMB (CNH) outside of mainland China. Classes denominated in RMB will have no requirement to remit RMB (CNH) to onshore RMB (CNY). Non-RMB based investors (e.g. Hong Kong investors) in Classes denominated in RMB may have to convert HK dollar or other currency(ies) into RMB when investing in Classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or dividend payment (if any) back to HK dollar or such other currency(ies). Investors will incur currency conversion costs and you may suffer losses depending on the exchange rate movements of RMB relative to HK dollar or such other currencies.

Even if the Fund aims to pay redemption monies and/or distributions of RMB denominated Classes in RMB, the Management Company may, under extreme market conditions when there is not sufficient RMB for currency conversion and with the approval of the Directors, pay redemption monies and/or distributions in US dollar. There is also a risk that payment of redemption monies and/or distributions in RMB may be delayed when there is not sufficient amount of RMB for currency conversion for settlement of the redemption monies and distributions in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, redemption monies will be paid within one calendar month upon receipt of all properly completed documentation.

Duration Hedged Share Classes

Duration is a measure of the sensitivity of the price of a debt security to changes in interest rates. Duration risk is the risk that an investment's value will change due to changes in interest rates. The value of debt securities will generally increase when interest rates fall and decrease when interest rates rise.

Duration Hedged Share Classes utilise hedging strategies to seek to limit Share Class exposure to interest rate movements. Sensitivity to interest rate movements may vary by Funds. The sensitivity of the Funds to interest rate movements may affect the result of the duration hedging.

Such hedging strategies used by the Investment Adviser(s) (or any agent appointed by the Investment Adviser) may not completely eliminate exposure to such interest rate movements. There can be no guarantee that hedging strategies will be successful. Mismatches may result between the duration positions of a Fund and the Duration Hedged Share Classes issued for that Fund. Investors should be aware that certain market events or circumstances could result in the Investment Adviser(s) no longer being able to perform hedging transactions or that such strategies may no longer be economically viable.

The use of hedging strategies may substantially limit Duration Hedged Share Class shareholders from benefiting if interest rates fall. The costs of hedging and all gains/losses from hedging

transactions are borne separately by the shareholders of the respective Duration Hedged Share Classes.

Investors should also note that the hedging of Duration Hedged Share Classes is distinct from any hedging strategies that the Investment Adviser(s) may implement at the Fund level.

Discretionary Distributing Share Class

The Discretionary Distributing Share Class may pay distributions from capital or may charge all or part of the Fund's fees and expenses to the capital of the Fund. Dividends paid out of capital amount to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Such dividends may result in an immediate decrease of the Net Asset Value per Share. Where part or all of the fees and expenses of a Share Class is charged to the capital of that Share Class the result will be a reduction of the capital that the Fund has available for investment in the future and capital growth may be reduced. In periods of declining markets, the compounding effect of such dividend distributions may lead to a material erosion of the Share Class Net Asset Value.

TAXATION

Investors should note that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to withholding or other taxes imposed by the authorities in that market. Tax and law practice in certain countries into which a Fund invests or may invest in the future may not be clearly established, may be subject to change or may be subject to change with retrospective effect. It is possible therefore that the Funds could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

Taxation Risks in relation to the Subsidiary

Please refer to the description in Section "Taxation of the Subsidiary" below.

Common Reporting Standards ("CRS")

The Company should be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in Luxembourg law on the Common Reporting Standard (the "CRS Law").

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution.

Without prejudice to other applicable data protection provisions as set out in the Company documentation, as of 30 June 2017, the Company will be required to annually report to the Luxembourg tax administration personal and financial information related, inter

alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the "Reportable Persons") and (ii) Controlling Persons of certain non-financial entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "Information"), will include personal data related to the Reportable Persons.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax administration annually for the purposes set out in the CRS Law. The Luxembourg tax administration may in turn, acting as data controller, further disclose such information to foreign tax authorities.

Any investor that fails to comply with the Company's Information or documentation requests may be reportable and subject to further penalties for non-compliance under the CRS Law.

Foreign Account Tax Compliance ("FATCA")

The Foreign Account Tax Compliance provisions of the 2010 Hiring Incentives to Restore Employment Act ("HIRE Act") generally impose a new reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the Internal Revenue Service ("IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

Under the terms of FATCA, the Company will be treated as a Foreign Financial Institution. As such, the Company may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as result of the FATCA regime, the value of the Shares held by the investor may suffer material losses.

Therefore and despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

- require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to any tax authority, as may be required by law or such authority;
- withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company; and
- withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

As described in Section 2.2 “Issue of Shares” the Directors have resolved to prevent the ownership of Shares by any U.S. Person (as defined pursuant to Regulation S under the U.S. Securities Act of 1933, as amended).

Each prospective investor should consult its own tax advisers regarding the requirements under FATCA with respect to its own situation.

POTENTIAL CONFLICTS OF INTEREST

The Management Company, the Investment Adviser(s) and other affiliates may effect transactions in which they have, directly or indirectly, an interest which may involve a potential conflict with the Management Company’s duty to the Company. Neither the Management Company nor the Investment Adviser(s) nor other affiliates shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Adviser(s)’s fees, unless otherwise provided, be adjusted. The Management Company and the Investment Adviser(s) will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed. Such potential conflicting or duties may arise because the Management Company or the Investment Adviser(s) may have invested directly or indirectly in the Company. More specifically, the Management Company, under the rules of conduct applicable to it, must try to avoid conflicts of interests and, when they cannot be avoided, ensure that its clients are fairly treated.

CYBER SECURITY

The Funds and their service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Funds and their service providers use to service the Funds’ operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Funds and their service providers. Cyber-attacks against or security breakdowns of the Funds or their service providers may adversely impact the Funds and their shareholders, potentially resulting in, among other things, financial losses; the inability of Funds’ shareholders to transact business and the Funds to process transactions; inability to calculate the Funds’ NAV; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Funds may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security risks may also impact issuers of securities in which the Funds invest, which may cause the Funds’ investments in such issuers to lose value. There can be no assurance that the Funds or their service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

1.5.2. SPECIFIC RISK FACTORS

In addition to the general risks, as set out above, that should be considered for all Funds, there are other risks that investors should also bear in mind when considering investment into specific Funds. The table below shows which specific risk warnings may apply to each of the Funds based on their respective investment objective and policy. Investors’ attention is drawn to the fact that these risks will only arise in the event the Funds invest in the relative instruments as may be decided from time to time by the investment manager.

The specific risk factors that have been listed as relevant to a Fund in the table below are those identified as the material risks applicable to each of the Funds at the time of the issue of this Prospectus. Specific risk factors may apply to each Fund to varying degrees, and the exposure to specific risk factors will also vary over time. Additionally, risks may arise in the future which could not have been foreseen in advance. This Prospectus will be regularly updated to reflect any changes to the risk factors set out in Section 1.5.1 General Risk Factors and Section 1.5.2 Specific Risk Factors.

| Strategy | Fund Name | Equity Risk | Fixed Income Risk | Liquidity Funds | Asset Allocation Funds | Absolute Return Strategies | Financial Derivative Instruments | EPM Techniques |
|----------|---|-------------|-------------------|-----------------|------------------------|----------------------------|----------------------------------|----------------|
| Equity | Asia Opportunity Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Asian Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Asian Property Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Asia-Pacific Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Breakout Nations Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Emerging Europe, Middle East and Africa Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Emerging Leaders Equity Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Emerging Markets Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | European Champions Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | European Equity Alpha Fund | ✓ | ✓ | | | | ✓ | |
| Equity | European Property Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Eurozone Equity Alpha Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Frontier Emerging Markets Equity Fund | ✓ | | | | | ✓ | |
| Equity | Global Active Factor Equity Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Global Advantage Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Global Brands Equity Income Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Global Brands Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Global Discovery Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Global Infrastructure Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Global Opportunity Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | Global Property Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Global Quality Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Indian Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | International Equity (ex US) Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Japanese Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | Latin American Equity Fund | ✓ | ✓ | | | | ✓ | |
| Equity | US Active Factor Equity Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | US Advantage Fund | ✓ | ✓ | | | | ✓ | ✓ |

| Strategy | Fund Name | Equity Risk | Fixed Income Risk | Liquidity Funds | Asset Allocation Funds | Absolute Return Strategies | Financial Derivative Instruments | EPM Techniques |
|----------|--|-------------|-------------------|-----------------|------------------------|----------------------------|----------------------------------|----------------|
| Equity | US Growth Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | US Insight Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | US Mid Cap Growth Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Equity | US Property Fund | ✓ | ✓ | | | | ✓ | |
| Bond | Absolute Return Fixed Income Fund | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| Bond | Asian Fixed Income Opportunities Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Bond | Emerging Markets Corporate Debt Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Emerging Markets Debt Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Emerging Markets Domestic Debt Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Emerging Markets Fixed Income Opportunities Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Euro Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Euro Corporate Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Euro Strategic Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | European Currencies High Yield Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Buy and Hold 2020 Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Buy and Maintain Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Convertible Bond Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Bond | Global Credit Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Fixed Income Opportunities Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Bond | Global High Yield Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Mortgage Securities Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Global Premier Credit Fund | | ✓ | | | | ✓ | ✓ |
| Bond | Short Maturity Euro Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | US Dollar Corporate Bond Fund | | ✓ | | | | ✓ | ✓ |

| Investment Funds | Emerging Markets | Eurozone | Real Estate Industry | Infrastructure | Commodities | Volatility Strategies | High Yield | ABS/MBS | CoCos | Investments in Mainland China |
|------------------|------------------|----------|----------------------|----------------|-------------|-----------------------|------------|---------|-------|-------------------------------|
| | ✓ | | | | | | | | | ✓ |
| ✓ | ✓ | | | | | | | | | ✓ |
| ✓ | | | | | | | | | | |
| | | | ✓ | | | | | | | |
| | ✓ | | | | | | ✓ | ✓ | ✓ | |
| | ✓ | | | | | | ✓ | ✓ | ✓ | |
| | ✓ | | | | | | ✓ | ✓ | ✓ | |
| | ✓ | | | | | | ✓ | ✓ | ✓ | |
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| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
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| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | |
| | | ✓ | | | | | | ✓ | ✓ | |
| | | | | | | | ✓ | ✓ | | |

| Strategy | Fund Name | Equity Risk | Fixed Income Risk | Liquidity Funds | Asset Allocation Funds | Absolute Return Strategies | Financial Derivative Instruments | EPM Techniques |
|------------------|---|-------------|-------------------|-----------------|------------------------|----------------------------|----------------------------------|----------------|
| Bond | US Dollar High Yield Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | US Dollar Short Duration Bond Fund | | ✓ | | | | ✓ | ✓ |
| Bond | US Dollar Short Duration High Yield Bond Fund | | ✓ | | | | ✓ | ✓ |
| Liquidity | US Dollar Liquidity Fund | | ✓ | ✓ | | | ✓ | ✓ |
| Asset Allocation | Diversified Alpha Plus Fund | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Asset Allocation | Diversified Alpha Plus Low Volatility Fund | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Asset Allocation | Global Balanced Fund | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Asset Allocation | Global Balanced Defensive Fund | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Asset Allocation | Global Balanced Income Fund | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Asset Allocation | Global Balanced Risk Control Fund of Funds | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Asset Allocation | Global Multi-Asset Income Fund | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Alternatives | Liquid Alpha Capture Fund | ✓ | ✓ | | | | ✓ | ✓ |
| Alternatives | Liquid Alternatives Fund | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |

FIXED INCOME RISK

Funds which invest in Fixed Income Securities will be subject to interest rate and credit risk, and the additional risks associated with securities such as high-yield Fixed Income Securities, asset backed securities or loans.

Fixed Income Securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). A Fund may invest in Fixed Income Securities which are interest rate sensitive. An increase in interest rates will generally reduce the value of Fixed Income Securities, while a decline in interest rates will generally increase the value of Fixed Income Securities. The performance of such Funds will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital.

Interest Rate Risk

The values of Fixed Income Securities held by the Funds will vary with changes in interest rates and such variation may affect Share prices accordingly. The value of Fixed Income Securities will generally increase when interest rates fall and decrease when interest rates rise. Fixed Income Securities with greater interest rate sensitivity and longer maturities are usually subject to greater fluctuations in value in response to interest rate changes.

Credit Risk

Funds which invest in Fixed Income Securities are subject to the risk that an issuer will fail to make timely payments of interest and principal. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, are all factors that may have an adverse impact on an issuer's credit quality and security values.

High Yield Securities

Funds may invest in higher yielding Fixed Income Securities which are subject to greater credit and market risk than lower yielding securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. Such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity and as a result may be less liquid than lower yielding securities.

Negative Yields

Certain Funds may invest in fixed income instruments which, in certain cases, may trade at a negative yield. When a Fund invests in

| Investment Funds | Emerging Markets | Eurozone | Real Estate Industry | Infrastructure | Commodities | Volatility Strategies | High Yield | ABS/MBS | CoCos | Investments in Mainland China |
|------------------|------------------|----------|----------------------|----------------|-------------|-----------------------|------------|---------|-------|-------------------------------|
| | ✓ | | | | | | ✓ | ✓ | ✓ | |
| | | | | | | | ✓ | ✓ | | |
| | ✓ | | | | | | ✓ | ✓ | ✓ | |
| ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | | |
| ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ | | |
| ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | |
| ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | |
| ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | |
| ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | |
| ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | |
| ✓ | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |

a negative yielding fixed income instrument, the value of the Fund's investment will reduce on a daily basis by the amount of the negative yield and the Fund may not get back its full investment.

Downgrading Risk

The credit ratings given to Fixed Income Securities may be subject to changes. The downgrading of a rated Fixed Income Security could decrease the value and liquidity of the security, particularly in a thinly traded market, and also increase the price volatility. The Company may continue to invest in securities that are downgraded after purchase.

Non-Investment Grade Securities

Non-investment grade securities have a lower credit rating than investment grade securities or are unrated and are generally considered to have a higher credit risk than more highly rated securities. In addition, non-investment grade securities tend to be more volatile than higher rated securities, so that adverse economic events may have a greater impact on the prices of non-investment grade securities than on higher rated securities. The market for securities which are rated below investment grade, have a lower credit rating or are unrated generally has lower liquidity and is less active than that for higher rated securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions. Certain Funds may invest in securities rated below investment grade.

Unrated Securities

Some Funds may invest in securities that are not rated. As they are unrated these securities may be subject to greater price volatility and Funds investing in these securities must rely on the Investment Adviser(s)' credit assessment of such securities and are in particular subject to a high credit risk.

Sovereign Debt

Certain countries and government entities rely more heavily than others upon foreign investment and the international markets for funding. Investment in sovereign debt issued or guaranteed by such countries or government entities involves a high degree of risk as the issuing entity may be unable or unwilling to repay the principal or interest when due in accordance with the terms of the debt. As a result, there may be a risk that the issuing entity will reschedule repayment or default on the debt.

Asset-Backed Securities

Some Funds may invest in Asset-Backed Securities (ABS) which are Fixed Income Securities backed or collateralised by the income stream from an underlying pool of assets such as credit cards, automobile loans, student loans, small business loans, mortgages and receivables. An ABS may be usually issued in a number of different tranches, or classes, with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate.

The higher the risk contained in the tranche, the more the ABS is likely to have to pay by way of income. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other Fixed Income Securities. ABS are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

Mortgage-Backed Securities

Some Funds may invest in Mortgage-Backed Securities (MBS) which are Fixed Income Securities backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. An MBS may be issued in a number of different tranches, or classes, with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the tranche, the more the MBS pays by way of income. MBS may be subject to prepayment risk which is the risk that, in a period of falling interest rates, borrowers may refinance or otherwise repay principal on their mortgages earlier than scheduled. When this happens, certain types of MBS will be paid off more quickly than originally anticipated and the Funds will have to invest the proceeds in securities with lower yields. MBS may also be subject to extension risk, which is, the risk that, in a period of rising interest rates, certain types of MBS will be paid off more slowly than originally anticipated and the value of these securities will fall. As a result, the average duration of the Funds' portfolios may increase. The value of longer-term securities generally changes more in response to changes in interest rates than that of shorter-term securities. Because of prepayment risk and extension risk, MBS may react differently to changes in interest rates than other Fixed Income Securities. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain MBS. In some circumstances investments in MBS may become less liquid and in the case of a large redemption or change in market liquidity the Investment Adviser may not be able to sell the securities to meet the redemption requirement or may only be able to sell the securities at a price which negatively affects the Funds' Net Asset Value. In addition, the market price for MBS may be volatile.

Non-Agency Mortgage Backed Securities

Non-agency Mortgage Backed Securities are MBS issued by private institutions. These securities have no credit guarantee other than the quality of the loans behind them, and any other structural credit protection provided by the terms of the bond deal they belong to. Investing in non-agency mortgage-backed securities generally entails credit, prepayment, extension, liquidity and default risk.

Loans

A Fund may invest in fixed and floating rate loans from one or more financial institutions by way of (i) assignment/transfer of, or (ii) participation in the whole or part of the loan amount outstanding.

Such loans may be secured or unsecured. Loans that are fully secured offer a Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation.

Participations typically will result in the Fund having a contractual relationship only with an intermediary (e.g. a financial institution or lending syndicate, the "Selling Institution") and not with the borrower and therefore generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement. The Fund may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the Selling Institution.

Loan obligations are subject to the credit risk of non-payment of principal or interest by the borrower. Substantial increases in interest rates may also cause an increase in loan obligation defaults.

Further, where exposure to loans is gained by purchase of participations there is the additional credit and bankruptcy risk of the Selling Institution under the insolvency laws of the jurisdiction of the Selling Institution.

On the other hand, investments in loans through a direct assignment include the risk that if a loan is terminated, a Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

Convertible Bonds

Convertible bonds are subject to a number of risks including risk arising from both debt and equity securities, and to convertible securities specific risks. Convertible bond valuations are sensitive to macro-economic risk, interest rate risk, spread risk, default risk, and equity risk. In addition, convertible bonds issuers may be downgraded. In certain market conditions convertible bonds may be less liquid than other asset classes.

Contingent Convertible Debt Securities

Characteristics of the contingent convertible debt securities

Certain Funds may invest in contingent convertible debt securities which are Fixed Income Securities that may pay an attractive coupon and which may be converted into equity securities or suffer capital losses by decreasing the face value if pre-specified events occur ("trigger events"), depending in particular of the capital ratio levels of the issuer of such contingent convertible debt securities ("trigger levels"). Contingent convertible debt securities may be issued as perpetual instruments which may (or may not) be called at pre-determined date.

Specific risks associated with the related contingent convertible debt securities

Trigger levels and conversion risks: contingent convertible debt securities are complex financial instruments in respect of which, trigger levels (and thus exposure to conversion risk) differ widely. In particular, conversion may cause the value of the investment to fail significantly and irreversibly, and in some cases even to zero.

Unknown and yield related risks: contingent convertible debt securities are also innovative financial instruments and their behaviour under a stressed financial environment is thus unknown. This increases uncertainty in the valuation of contingent convertible debt securities and the risks of potential price contagion, as well as the volatility and also the liquidity risks of the entire contingent convertible securities asset class. In certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it. Furthermore, because of the often attractive yield of contingent convertible debt securities, it still remains unclear whether holders of contingent convertible debt securities have fully considered the underlying risks of these instruments.

Write-down and capital structure inversion risks: the investment in contingent convertible debt securities may also result in material losses to the relevant Fund as the contingent convertible debt security may suffer capital market loss by decreasing the face value ("write-down") on the occurrence of certain trigger events. In this event, holders of contingent convertible debt securities will suffer losses ahead of holders of equity securities issued by the same issuer, contrary to the classic order of capital structure hierarchy where equity holders are expected to suffer the loss before debt holders.

Call extension risk: as contingent convertible debt securities may be perpetual instruments which may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date.

Coupon cancellation risk: In addition, some contingent convertible debt securities are also subject to the risk of discretionary cancellation of coupon payments by the issuer at any point, for any reason, and for any length of time.

LIQUIDITY FUNDS

Stable Net Asset Value Risk

Although it is intended to maintain a stable Net Asset Value in the Distributing Shares of the Liquidity Funds, there can be no assurance that this will be achieved nor that the Liquidity Funds will achieve their investment objectives. The value of the Liquidity Funds may be affected by market movements (including but not limited to potential negative policy rates), volatility and/or widening of credit spreads associated with the Liquidity Funds' investments, rising duties and charges, premiums and service providers fees which are all outside the control of the Management Company.

Money Market Instruments, Fixed-term Deposits and Certificates of Deposit

Liquidity Funds may invest a large proportion of their assets in fixed-term deposits, certificates of deposit and/or money market instruments. Investors should note that investment in such Funds is not the same or equivalent to a deposit in a bank account and is not protected by any governments or other guarantee or investor compensation scheme, which may be available to protect the holder of a bank deposit account. Investors should remember that the price of Shares of any of the Liquidity Funds and any income from them may fall as well as rise and that investors may not get back the full amount invested.

EQUITY RISK

Funds which invest in equity securities are subject to the volatility of the capital markets on which these securities are traded and may incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events.

Depository Receipts

Depository receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depository receipts are traded. Accordingly whilst the depository receipts are traded on Recognised Exchanges, there may be other risks associated with such instruments to consider- for example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

Small and mid-sized companies

The stock prices of small and mid-sized companies tend to be more volatile than the stock prices of larger companies. Smaller companies may have limited resources and product ranges and therefore may be more sensitive to changes in market conditions. The stocks of smaller companies are traded less frequently and in lower volumes than those of larger companies and this may contribute to greater stock price volatility.

Participatory Notes

Equity funds may generate exposure to certain equity securities in certain countries by purchasing a participatory note. A participatory note, while generating the desired equity security exposure, adds counterparty risk exposure to the issuer of the participatory note.

ASSET ALLOCATION FUNDS

The Asset Allocation Funds provide the Investment Adviser with wide discretion to allocate between different asset classes. From time to time, the Asset Allocation Funds may have significant exposure to a single or limited number of fixed income or equity asset classes. Accordingly, the relative relevance of the risks associated with equity securities, Fixed Income Securities and derivatives will fluctuate over time.

ABSOLUTE RETURN STRATEGIES

The intention of an absolute return strategy is to deliver positive returns through a market cycle. However there can be no guarantee that such returns or capital will be achieved.

FINANCIAL DERIVATIVE INSTRUMENTS

Funds may, in accordance with their investment policy, invest in financial derivative instruments including but not limited to European and American options including single security, currency, basket and index calls and puts; single security, equity index and volatility futures; interest rate, Eurodollar and treasury futures; contract for differences (CFDs); single currency swaps; credit default swaps; interest rate swaps; Consumer Price Index (CPI) swaps, total return swaps, structured notes, warrants, currency forwards and participatory notes.

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 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 Fund.

Derivatives also involve specific risks. These risks relate specifically to market risks, management risk, counterparty 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 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 Fund may also use derivatives to gain or short exposure to some investments. In extreme market conditions the use of derivatives may, theoretically, give rise to unlimited losses for the Fund. However, an investor's loss is always limited to the amount invested in the 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 Fund.

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 Company will only enter into OTC derivatives if it is allowed to liquidate such transactions at any time at fair value).

Counterparty Risk

The Funds may enter into transactions in OTC markets, which will expose the 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 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 Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative transactions 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. However this risk is limited in view of the investment restrictions laid down in Section 3 - "Derivatives and efficient portfolio management techniques" of Appendix A - Investment Powers and Restrictions.

Counterparty Replacement Risk

The Global Brands Equity Income Fund is expected to take exposure via a swap on options on equity securities and/or equity indices. This swap is highly customised and gaining this exposure is dependent on the availability of a counterparty. This Fund intends to use Morgan Stanley International Plc, a company affiliated to the Investment Adviser, as a counterparty to the swap. If Morgan Stanley International Plc is unable to continue as counterparty to the swap, the Fund may be unable to contract with another counterparty for an equivalent swap. This may mean that the Fund is unable to implement its investment strategy fully and, in particular, the income enhancement component of the strategy may be affected resulting in a reduction of income. This may also mean that the Fund cannot meet its investment objective to deliver regular income.

Leverage Risk

Derivative instruments allow the Fund to gain a larger exposure to asset values than the amount the Fund invests. As a result, losses on derivative instruments can exceed the amount invested in them which may significantly reduce the value of the Fund as a whole.

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. The Management Company will seek to obtain independent valuations for OTC derivatives in order to limit this risk.

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 Fund's use of derivative techniques may not always be an effective means of following a Fund's investment objective. In cases where derivatives are being used to hedge risk, it is possible that the offsetting investments will not experience price changes that are perfectly inversely correlated. As a result, hedged portfolios may be exposed to basis risk – the risk that the portfolio will realize excess gains or losses in the execution of the hedging strategy.

Risks associated with OTC Derivatives

An OTC derivative is a derivative instrument which is not listed and traded on a formal exchange such as FTSE or NYSE but is traded by counterparties who negotiate directly with one another over computer networks and by telephone. The counterparty risk on any transaction involving OTC derivative instruments may not exceed 10% of the assets of a 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 in the EU. This limit is set at 5% in any other case.

The Management Company ensures that appropriate risk monitoring is in place for any OTC transactions.

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 securities 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 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 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.

EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

A Fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in section 3 - "Derivatives and efficient portfolio management techniques" of Appendix A - Investment Powers and Restrictions. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

A Fund may enter into securities lending transactions subject to the conditions and limits set out in Section 3 - "Derivatives and efficient portfolio management techniques" of Appendix A - Investment Powers and Restrictions. If the other party to a securities lending transaction should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The Funds will only use repurchase agreements, reverse repurchase agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Fund. When using such techniques, the

Funds will comply at all times with the provisions set out section 3 - “Derivatives and efficient portfolio management techniques” of Appendix A - Investment Powers and Restrictions. The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. The use of repurchase agreements, reverse repurchase agreements and securities lending transactions is generally not expected to have a material adverse impact on a Fund’s performance, subject to the Risk Factors described above.

INVESTMENT FUNDS

Open-ended and Closed-end Collective Investment Vehicles

Some Funds may invest in other collective investment vehicles. By investing in collective investment vehicles indirectly through the Fund, the investor will bear not only his proportionate share of the management fee of the Fund, but also indirectly, the management and administration expenses of the underlying collective investment vehicles.

In the case of investment in closed-end investment vehicles, shares may at times be acquired only at market prices representing premiums to their net asset values or disposed of at market prices representing discounts to their net asset value. Shares of such closed-end collective investment vehicles will be valued at their last available stock market value.

Collective investment vehicles established in different jurisdictions may not always provide an equivalent level of protection. This may expose the Funds investing in them to additional risks, for instance, less frequent opportunities for disposal, delayed payment or non-receipt of settlement monies, or less protective judicial structures.

Investment in Third Party Funds

Certain Funds may invest in shares of collective investment schemes including Exchange Traded Funds, Closed Ended Funds and UCITS funds – collectively, underlying funds. These Funds may be advised or sub-advised by the Investment Adviser, an affiliate adviser or by an unaffiliated adviser. The ability of a Fund which invests in shares of an underlying fund or funds to achieve its investment objective may be directly related to the ability of the underlying funds to meet their investment objectives. Funds which invest in underlying funds will be exposed to the risks to which the underlying funds are exposed. These risks may include liquidity risk where the ability of the Fund to meet the liquidity requirements of its investment is directly linked to the ability of the underlying funds to meet their liquidity requirements.

EMERGING MARKETS, FRONTIER MARKETS AND OTHER NON-DEVELOPED MARKETS

In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or

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

Settlement systems in Emerging Markets, Frontier Markets and other non-developed markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the Funds may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased, or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the “Counterparty”) through whom the relevant transaction is effected might result in a loss being suffered by Funds investing in non-developed market securities.

The Company will seek, where possible, to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that this risk will be successfully eliminated for the Funds, particularly as Counterparties operating in Emerging Markets, Frontier Markets and other non-developed markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company’s claims in any of these events.

Investments in the Russian Federation are subject to certain heightened risks with regard to the ownership and custody of securities. In these countries the ownership is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary). No certificates representing ownership of such companies will be held by the Depositary or any of its local correspondents or in an effective central depository

system. As a result of this system and the lack of effective state regulation and enforcement, the Company could lose its registration and ownership of such securities through fraud, negligence or even mere oversight. However, in recognition of such risks, the relevant correspondent to the Depositary follows increased “due diligence” procedures. The correspondent has entered into agreements with company registrars and will only permit investment in those companies that have adequate registrar procedures in place. In addition, the settlement risk is minimised as the correspondent will not release cash until registrar extracts have been received and checked. In addition, Fixed Income Securities in these countries have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with institutions which may not have adequate insurance coverage to cover loss due to theft, destruction or default whilst such assets are in its custody.

Other risks could include, by way of example, controls on foreign investment and limitations on the repatriation of capital and the exchange of local currencies for global reserve currencies such as US\$, the impact on the economy as a result of religious or ethnic unrest.

In addition investments in India may be subject to the withdrawal or non-renewal of the Investment Adviser’s Foreign Institutional Investor licence.

Corporate and Sovereign Debt

Both corporate and sovereign debt will be subject to high risk in emerging markets, frontier markets and other non-developed markets 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 such a non-developed 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 Company and/or the Management Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country.

In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.

INVESTMENTS IN CHINA

Certain Funds may invest in securities or instruments which have exposure to the Chinese market (where “**China**” or “**PRC**” mean the People’s Republic of China (except where the context requires, and only for the purpose of the Prospectus, references to “**PRC**” or “**China**” do not include Hong Kong, Macau and Taiwan)). The exposure may be obtained via the Qualified Foreign Institutional Investor (“**QFII**”) scheme or Stock Connect. Other than risks involved in investments in emerging markets, as well as other risks of investments generally, as described in this section, which are applicable to investments in China, investors should also note the additional specific risks below.

Investments via QFII

Under current China law and regulations, investments in the Chinese domestic securities market (China A-Shares and other domestic securities as permitted) can be made by or through holders of a QFII licence, within certain investment quotas as approved under and subject to applicable Chinese regulatory requirements (“**QFII Regulations**”). Funds may invest in China indirectly via access products such as participation notes, equity-linked notes or similar financial instruments where the underlying assets consist of securities issued by companies quoted on regulated markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on regulated markets in China (“**Access Products**”). The relevant Funds will not satisfy the criteria to qualify as a QFII and to gain exposure to the China A-Shares market, investment will be made through managers or issuers of such schemes, notes or instruments who possess QFII licenses and investment quotas.

Access Products are designed to mirror the returns on the underlying China A-Shares and are generally subject to the terms and conditions which reflect the underlying QFII regulations and may also be subject to the terms and conditions imposed by the issuers. These terms may lead to delays in implementing the Investment Manager’s investment strategy due to the restrictions they may place on the issuer acquiring or disposing of the securities underlying the Access Products or on the implementation of realisations and payment of realisation proceeds to the Fund.

Furthermore, Access Products can be illiquid as there may be no active market in such securities. In the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. In addition, there is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss.

QFII Regulatory Risks

Actions of the relevant manager or issuer which violate QFII regulations could result in the revocation of, or other regulatory action against, the relevant QFII licence as a whole, and may impact on the Fund’s exposure to Chinese securities as the relevant

scheme, note or instrument may be required to dispose its holdings in Chinese securities. In addition, a Fund may also be impacted by the rules and restrictions under the QFII Regulations (including rules on investment restrictions, minimum investment holding periods, and repatriation of principal and profits), which may consequently have an adverse impact on the liquidity and/or investment performance of the Fund.

The QFII Regulations which regulate investments by QFIIs in China are relatively new, and may be subject to further revisions in the future. The application and interpretation of the QFII Regulations are relatively untested and there is limited certainty as to how they will be applied. There is no assurance whether future revisions to the QFII Regulations or application of the QFII Regulations may or may not adversely affect a Fund's investments in China.

QFII Custody Risks

Where a Fund invests in China A-Shares or other securities in China through a QFII, such securities will be maintained by a custodian bank ("**QFII Custodian**") appointed by the QFII in accordance with QFII Regulations and held through a securities account with the China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"). Such account may be in the name of the QFII and not in the name of such Fund, and the assets within such account may be held for and on behalf of clients of the QFII including but not limited to such Fund. Hence, the assets of such Fund held within such account is subject to a risk of being treated as part of the assets of the QFII and be vulnerable to claims by creditors of the QFII in the event of the insolvency of the QFII. In addition, the assets of the Fund may not be adequately segregated from the assets of other Funds, funds or clients investing through the QFII.

Investors should also note that cash deposited in the cash account of the relevant Funds with the QFII Custodian will not be segregated but will be a debt owing from the QFII Custodian to the relevant Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the QFII Custodian.

Investments in China A-Shares via Stock Connect

Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("**HKEX**"), Shanghai Stock Exchange ("**SSE**") and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors, such as the Company, through its Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("**SEHK**"), may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE. Under the Southbound trading link, investors in the PRC will be able to trade certain

stocks listed on the SEHK. Under a joint announcement issued by the Securities and Futures Commission ("**SFC**") and the China Securities Regulatory Commission ("**CSRC**") on 10 November 2014 the Stock Connect commenced trading on 17 November 2014.

Under the Stock Connect, the Company, through its Hong Kong brokers may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except SSE-listed shares which are not traded in Renminbi ("**RMB**") and SSE-listed shares which are included in the "risk alert board". It is expected that the list of eligible securities will be subject to review.

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

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

In addition to paying trading fees, levies and stamp duties in connection with trading in China A-Shares, the Funds investing via Stock Connect may be subject to new fees arising from trading of China A-Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

Liquidity and Volatility Risk

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

Suspension Risk

It is contemplated that both SEHK and SSE have the right to suspend or limit trading in any security traded on the relevant

exchange if necessary for ensuring an orderly and fair market and that risks are managed prudently. In particular, trading band limits are imposed by the stock exchanges on China A-Shares, where trading in any China A-Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the relevant Funds to liquidate positions and could thereby expose the Funds to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Funds to liquidate positions at a favourable price, which could thereby expose the affected Funds to significant losses. Finally, where a suspension is effected, the relevant Funds' ability to access the PRC market will be adversely affected.

Quota and Other Limitations

Although Stock Connect is the first program allowing non-Chinese investors to trade Chinese equities without a license, purchases of securities through Stock Connect are subject to market-wide quota limitations. The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect is initially subject to a maximum cross-boundary investment quota ("**Aggregate Quota**"), together with a daily quota ("**Daily Quota**"). Northbound trading and Southbound trading will be subject to a separate set of Aggregate Quota and Daily Quota. The Northbound Aggregate Quota caps the absolute amount of fund inflow into the PRC and is currently set at RMB300 billion. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The Northbound Daily Quota is set at RMB13 billion. Quota limitations may prevent the Funds from purchasing Stock Connect securities when it is otherwise advantageous to do so. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance).

Differences in Trading Day

Because Stock Connect trades are routed through Hong Kong brokers and the SEHK, Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the PRC market but the relevant Funds cannot carry out any China A-Shares trading via the Stock Connect. As a result, prices of Stock Connect may fluctuate at times when the Funds are unable to add to or exit its position.

Additionally, an investor cannot purchase and sell the same security on the same trading day, which may restrict the Funds' ability to invest in China A-Shares through Stock Connect and to enter into or exit trades where it is advantageous to do so on the same trading day.

Eligibility of Stocks

Only certain China A-Shares are eligible to be accessed through Stock Connect. Such securities may lose their eligibility at any time. When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Advisor wishes to purchase a stock which is recalled from the scope of eligible stocks.

Operational Uncertainty

Because Stock Connect is relatively new, its effects on the market for trading China A-Shares are uncertain. In addition, the trading, settlement and IT systems required to operate Stock Connect are relatively new and continuing to evolve. In particular, the Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems do not function properly, trading through Stock Connect could be disrupted and the relevant Funds' ability to access the China A-Share market may be adversely affected and the Fund may not be able to effectively pursue its investment strategy.

Other Legal and Regulation Risks

Stock Connect is subject to regulation by both Hong Kong and China. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. There can be no assurance that further regulations will not affect the availability of securities in the program, the frequency of redemptions or other limitations. Additional shareholder restrictions and disclosure requirements might also be applicable to the Company as a result of their investments in China A-Shares via Stock Connect.

Lack of Investor Protection

Stock Connect transactions are not covered by investor protection programs of either the Hong Kong or Shanghai Stock Exchanges. Investment in SSE shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation

to exchange-traded products in Hong Kong. Since default matters in respect of SSE shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connect.

Legal/Beneficial Ownership

In China, Stock Connect securities are held on behalf of ultimate investors (such as the Company) by the HKSCC as nominee. HKSCC in turn holds the SSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. While Chinese regulators have affirmed that the ultimate investors hold a beneficial interest in Stock Connect securities, the law surrounding such rights is in its early stages and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks. Further, courts in China have limited experience in applying the concept of beneficial ownership and the law surrounding beneficial ownership will continue to evolve as they do so. There is accordingly a risk that as the law is tested and developed, the Company's ability to enforce its ownership rights may be negatively impacted. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE shares will be regarded as held for the beneficial ownership of the Funds or as part of the general assets of HKSCC available for general distribution to its creditors. Furthermore, the Company may not be able to participate in corporate actions affecting Stock Connect securities due to time constraints or for other operational reasons. Similarly, the Company will not be able to vote in shareholders' meetings except through HKSCC and will not be able to attend shareholders' meetings. Stock Connect trades are settled in RMB and investors must have timely access to a reliable supply of RMB in Hong Kong, which cannot be guaranteed.

Clearing and Settlement Risk

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

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE shares under its

market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Pre-Trade Requirements and Special Segregated Accounts

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

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

Alternatively, if the relevant Fund maintains its SSE shares with a custodian which is a custodian participant or general clearing participant participating in Hong Kong Central Clearing and Settlement System ("**CCASS**"), the Fund may request such custodian to open a special segregated account ("**SPSA**") in CCASS to maintain its holdings in the SSE shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of an investor such as a Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Fund's sell order, the Fund will only need to transfer SSE shares from its SPSA to its broker's account after execution and not before placing the sell order and the Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer of China A-Shares to its brokers in a timely manner.

In addition, these pre-trade requirements may, as a practical matter, limit the number of brokers that the Funds may use to execute trades. While the Funds may use SPSA in lieu of the pre-trade check, many market participants have yet to fully implement IT systems necessary to complete trades involving securities in such accounts in a timely manner. Market practice with respect to SPSA is continuing to evolve.

EXPOSURE TO THE EURO AND THE EUROZONE

The "Eurozone" is an economic and monetary union of 19 European member states that have adopted the Euro as their common currency and sole legal tender. The success of the Euro and the Eurozone is therefore dependant on the general economic

and political condition of each member state, as well as each state's credit worthiness and the willingness of the members to remain committed to monetary union and support for the other members. Currently, there are widely held concerns in the market regarding the credit risk associated with certain sovereigns, including some member states of the Eurozone, and the continued viability of the Eurozone. Risk to the Company includes the possibility of exit of individual countries from the Euro, full breakup of the Eurozone or other circumstances which may result in the emergence or re-introduction of national currencies.

Default by any state on its Euro debts or a material decline in the credit rating of any Eurozone state could have a material negative impact on the Company and its investments. A number of the Funds of the Company may operate in Euro and/or may hold Euro denominated assets either directly or as collateral and may experience a reduction of the value and/or liquidity of their investments as a result of events in the Eurozone regardless of the measures the Investment Adviser(s) or Board may seek to take to reduce this risk.

In addition, the Management Company and/or the Company's counterparties, banks, custodians and service providers may have direct or indirect exposure to these countries or currency and a default or credit decline could impact their ability to meet their obligations to and/or perform services for the Company. In the event of one or more member states exiting the Eurozone, or the abandonment of the Euro entirely, there may be material negative impact on some or all Funds of the Company and the value of investments, including risk of redenomination from Euro into another currency, possible capital controls and legal uncertainty as to the ability to enforce obligations and debts.

Prospective shareholders should inform themselves as to the risks surrounding the Eurozone crisis and the associated risk of an investment in the Company, taking into account the uncertainty as to how the Eurozone crisis and more general global economic situation will continue to evolve.

HOLDINGS CONCENTRATION

Some Funds may invest in a relatively small number of investments. Concentrated portfolios may be more volatile than more diversified portfolios with a larger number of investments and may be more significantly impacted by a decline in the value or circumstance of any one stock, asset classes or sector.

REAL ESTATE INDUSTRY

There are special risk considerations associated with investing in the real estate industry securities such as closed-end Real Estate Investment Trusts (REITS) and the securities of companies principally engaged in the real estate industry. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition,

increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Fund investing in the Real Estate Industry.

INFRASTRUCTURE

There are special risk considerations associated with investing in the securities of companies principally engaged in the infrastructure industry. Infrastructure-related companies are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with compliance with and changes in environmental and other regulations, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, the effects of surplus capacity, increased competition from other providers of services in a developing deregulatory environment, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, government budgetary constraints, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. Other factors that may affect the operations of infrastructure-related companies include innovations in technology that could render the way in which a company delivers a product or service obsolete, significant changes to the number of ultimate end-users of a company's products, increased susceptibility to terrorist acts or political actions, risks of environmental damage due to a company's operations or an accident, and general changes in market sentiment towards infrastructure and utilities assets.

In the event that any of the risks associated with the infrastructure industry materialise, the value of securities issued by companies engaged in the infrastructure business may decline. To the extent that a Fund is invested in such securities, this may result in a corresponding decline in the Net Asset Value per share of that Fund, potentially uncorrelated to the rest of the equity market.

Companies engaged in the infrastructure business may also include Real Estate Investment Trusts ("closed-end REITS") and collective investment vehicles with exposure to infrastructure assets. Investors should refer to special risk considerations applicable to the Real Estate Industry and Collective Investment Vehicles.

COMMODITIES

Certain Funds may invest in commodity-related assets, in accordance with their investment objective. Such Funds will only take indirect exposure to commodities, by investing into eligible structured products such as commodity-linked notes, commodity exchange traded funds and/or derivative instruments referencing one or more commodity indices qualifying as financial indices under UCITS regulations.

Commodity related assets are highly volatile. Commodity markets are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programmes and policies designed to influence commodity prices, world political and economic events, and changes in interest rates.

VOLATILITY STRATEGIES

Certain Funds may invest, either directly or indirectly via investment into collective investment schemes in strategies which seek to take advantage of increases or decreases in volatility. Investment in such strategies may result in an increase in total portfolio volatility of the Fund. The risks of such investments are related to the risks associated with the underlying asset class on which the strategy invests (e.g. equity risk, commodity risk, liquidity risk, etc.). In periods of high market volatility the value of investments in volatility strategies may be subject to drawdowns which exceed those experienced in the markets and asset classes upon which the volatility strategy draws. Exposure to extreme market volatility may not be fully hedged which may result in a decrease in portfolio value. Funds which invest in volatility strategies will be exposed to derivative risk and basis risk, which is the risk that exposure gained through derivatives to an underlying asset or assets will not be perfectly correlated to the price movements of the assets themselves.

Section 2

2.1 Share Class Description

The Management Company may create one or more different classes of Shares ("Share Classes") in each Fund. Each Share Class is represented by a code composed by a share class indicator and a share class sub-indicator. The first letter or number of that code denotes the Share Class Indicator (e.g. "A"), while further letters or numbers represent additional characteristics and in combination denote the Share Class Sub-Indicator (e.g. "H").

Not all Share Classes may be available in all Funds. The current Application Form states the Share Classes which are available for each Fund. Details on the available Share Classes can also be obtained from the Distributor and at the Company's registered office.

| Share Class Indicator | Target audience* | Minimum Initial Subscription per Fund: | Minimum Holding | Minimum Subsequent Subscription |
|-----------------------|---|--|-----------------|---------------------------------|
| A | Retail investors | N/A | N/A | N/A |
| B | Retail investors, noting Contingent Deferred Sales Charge applies | N/A | N/A | N/A |
| C | Retail investors, noting Contingent Deferred Sales Charge applies – availability at the discretion of the Distributor and its affiliates | N/A | N/A | N/A |
| E | Employees of the Investment Adviser(s) or any Sub-Investment Adviser in respect of the relevant Fund | N/A | N/A | N/A |
| F | Retail investors investing in the Company through intermediaries appointed by the Distributor and who are charged directly by the intermediaries for advisory services they receive | N/A | N/A | N/A |
| I | High net worth individuals, or institutions who are not institutional investors according to article 174 of the 2010 Law, who invest in the Company directly or through intermediaries appointed by the Distributor and who are charged directly by the intermediaries for the advisory services they receive | 500,000** | 500,000** | 50,000** |
| N | The Distributor and its affiliates (whether for themselves or on behalf of clients) or, at the discretion of the Distributor and its affiliates, their clients who qualify as "institutional investors" according to article 174 of the 2010 Law | 100,000** | 100,000** | 10,000** |
| S | Pension funds or other investors who qualify as "institutional investors" according to Article 174 of the 2010 Law, as selected by the Distributor, and who invest at least USD 40,000,000 in the relevant Fund | 40,000,000** | 40,000,000** | N/A |
| Z | Institutional investors according to article 174 of the 2010 Law | N/A | N/A | N/A |

* Where the Management Company in its absolute discretion determines that an investor does not fall within the target audience for a Share Class Indicator as described above, including where the investor has ceased to be part of the target audience after initial subscription, the Management Company may, upon providing such investor with one month's written notice, elect to either compulsorily redeem their holding or convert their holding into another Share Class. This is at the Management Company's absolute discretion and the Management Company may choose not to exercise this power. For example, the Management Company may determine that an investor in Class E who has ceased to be employed by the Investment Advisor may retain their existing investment.

** These amounts may be in US Dollars (or the Euro, Yen or Sterling equivalent of the US Dollar amount). These minima may be waived or varied, in any particular case or generally, at the Management Company's discretion.

If the Net Asset Value of an investor's holding of a Class of Shares falls below the Minimum Holding amount shown above, the Management Company may, upon providing such investor with one month's written notice, elect to either compulsorily redeem their holding or convert their holding into another Share Class.

Restrictions apply to the purchase of Share Class Indicators C, E, F, I, N, S and Z Shares. First time applicants should contact the Distributor before submitting an Application Form for these Share Classes.

LIST OF SHARE CLASS SUB-INDICATORS

| Share Class Sub-Indicator | Characteristics (see section below) |
|--|--|
| The following Share Class Sub-Indicators are explained further in this Section 2.1 below | |
| H | NAV Hedged Share Class |
| H1 | Portfolio Hedged Share Class |
| H2 | Index Hedged Share Class |
| H3 | NAV Hedged (Non-Deliverable Currency) Share Class |
| D | Duration Hedged Share Class |
| O | NAV & Duration Hedged Share Class (i.e. $H + D = O$) |
| The following Share Class Sub-Indicators are explained further in the Section 2.9 "Dividend Policy" | |
| X | Distributing Share Class |
| R | Discretionary Distributing Share Class |
| M | Monthly Distributing Share Class |

CURRENCY HEDGED SHARE CLASSES

Currency Hedged Share Classes seek to reduce the currency exposure of the Shareholder to currencies other than the "Hedged Share Class Currency". The Investment Adviser(s) will decide on the most appropriate hedging strategies for each Fund and a Fund-by-Fund summary is available from the registered office of the Company and is included in the Company's Annual and Semi-Annual Reports. Currency Hedged Share Classes are subdivided as follows:

NAV Hedged Share Classes (Share Class Sub-Indicator "H")

NAV Hedged Share Classes utilise hedging strategies that seek to reduce exposure to currency movements between the Hedged Share Class Currency and the Fund's Reference Currency. This involves hedging the Fund's Reference Currency to the Hedged Share Class Currency generally without reference to the currencies represented in the Fund's underlying investment portfolio (the "Investment Currencies").

Portfolio Hedged Share Classes (Share Class Sub-Indicator "H1")

Portfolio Hedged Share Classes utilise hedging strategies that seek to reduce exposure to currency movements between the Hedged Share Class Currency and the Fund's Investment Currencies. This involves hedging the Fund's Investment Currencies back to the Hedged Share Class Currency without reference to its Reference Currency.

Index Hedged Share Classes (Share Class Sub-Indicator "H2")

Index Hedged Share Classes utilise hedging strategies that seek to reduce exposure to currency movements between the Hedged Share Class Currency and the currencies of a Fund's benchmark index ("Index Currencies"). This involves hedging the Fund's Index Currencies back to the Hedged Share Class Currency without reference to the Fund's Reference Currency or its Investment Currency.

NAV Hedged (Non-deliverable Currency) Share Class (Share Class Sub-Indicator "H3")

The NAV Hedged (Non-deliverable Currency) Share Classes utilise similar hedging strategies to the NAV Hedged Share Classes, however, where the Hedged Share Class Currency is non-deliverable, the share class will be denominated, for subscription and redemption purposes, in a currency other than the Hedged Share Class Currency. For example, a Colombian Peso NAV Hedged Share Class may be subscribed or redeemed in US Dollar or Euro but the Fund's Reference Currency would be hedged to the Colombian Peso, notwithstanding it being denominated in US Dollar or Euro.

Duration Hedged Share Classes (Share Class Sub-Indicator "D")

Duration Hedged Share Classes utilise hedging strategies that seek to reduce exposure to market interest rate movements. This involves hedging the duration of the Share Class relative to the Fund's actual duration or the duration of the Fund's targeted benchmark.

SALES CHARGE

The Sales Charge is an initial charge levied on subscription amounts, which is not contained within the price at which the Shares are issued.

| Share Class Indicator | Bond Funds (excluding Emerging Markets Debt Fund and Emerging Markets Domestic Debt Fund) | Equity Funds (and Emerging Markets Debt Fund and Emerging Markets Domestic Debt Fund): | Asset Allocation Funds | Liquidity Fund | Alternative Investment Funds |
|-----------------------|---|--|------------------------|----------------|---------------------------------|
| A | Up to 4.00% | Up to 5.75% | Up to 5.75% | 0.00% | Up to 5.75% |
| B | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| C | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| E | N/A | N/A | N/A | N/A | N/A |
| F | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| I | Up to 3.00% | Up to 3.00% | Up to 3.00% | Up to 3.00% | Up to 3.00% |
| N | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| S | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Z | Up to 1.00% | Up to 1.00% | Up to 1.00% | Up to 1.00% | Up to 1.00% |

The Sales Charge shall revert to the Distributor or to the relevant distributor through which the initial purchase was made. If in any country in which the Share Class Indicators A, I, and Z Shares are offered, local law or practice requires or permits a lower initial Sales Charge than that listed above for any individual purchase order, the Distributor may sell Shares and may authorise distributors to sell Shares within such country at a total price less than the applicable price set forth above, but in accordance with the maximum amounts permitted by the law or practice of such country.

The calculation is determined in a manner that results in the lowest possible rate being charged. Therefore, it is assumed that, unless otherwise specified, the redemption is applied to Share Class Indicators B and C Shares held longest by the Shareholder. The rate will be determined based on the Fund in which the Shareholder's subscription was first made. Conversion from one Fund to another will not affect the initial purchase date not the rate to be applied upon redemption for the purposes of calculating the Contingent Deferred Sales Charge.

CONTINGENT DEFERRED SALES CHARGE

Contingent Deferred Sales Charge for all Funds

| Time Period Since Subscription* | Share Class Indicator B | Share Class Indicator C |
|------------------------------------|----------------------------|----------------------------|
| 0–365 days | 4.00% | 1.00% |
| 1–2 Years | 3.00% | none |
| 2–3 Years | 2.00% | none |
| 3–4 Years | 1.00% | none |
| 4 Years and thereafter | none | none |

* Subscription for these purposes means the date on which Shares were issued, rather than the date of application for subscription.

To provide an example, assume a Shareholder purchased 100 Class B Shares in a Fund at €25 per Share (at a cost of €2,500) and in the third year after issuance the Net Asset Value per Share is €27. If at such time the Shareholder makes his first redemption of 50 Shares (proceeds of €1,350), the charge is applied only to the original cost of €25 per Share and not to the increase in Net Asset Value of €2 per Share. Therefore €1,250 of the €1,350 redemption proceeds will be charged a Contingent Deferred Sales Charge at a rate of 2.00% (the applicable rate in the third year after issuance).

The Contingent Deferred Sales Charge, if any, accrues to the Distributor and is used in whole or in part by the Distributor to defray its expenses in providing distribution-related services to the Fund relating to the sale, promotion and marketing of Share Class Indicators B and C Shares and the furnishing of services to Shareholders by sales and marketing personnel of the Distributor.

The Contingent Deferred Sales Charge (in combination with the Distribution Fee (see Section 2.5 “Charges and Expenses”) in the case of Share Class Indicator B Shares) is designed to finance the distribution of Share Class Indicators B and C Shares through the Distributor and distributors without a dealer mark-up or Sales Charge assessed at the time of purchase.

SHARE CLASS INDICATOR B SHARES

Share Class Indicator B Shares, at the request of the Shareholder, can be voluntarily converted to Share Class Indicator A Shares on or after the fourth anniversary of the date on which the Share Class Indicator B Shares were issued or the next Dealing Day if that day is not a Dealing Day.

No Contingent Deferred Sales Charge will be applicable to Share Class Indicator B Shares on conversions on or after the fourth anniversary of the date on which the Share Class Indicator B Shares were issued, and no Sales Charge will be applicable to the Share Class Indicator A Shares issued as a result of the same conversion.

WAIVER OF CONTINGENT DEFERRED SALES CHARGE

The Management Company will waive any applicable Contingent Deferred Sales Charge which may be payable on the redemption of Share Class Indicators B and C Shares where a redemption is effected pursuant to the right of the Management Company to liquidate a Shareholder’s account as described in more detail under “Compulsory Redemption” (i.e. where it is not the fault of the Shareholder which has resulted in the compulsory redemption).

The Management Company will waive any applicable Contingent Deferred Sales Charge which may be payable on the redemption of distributing Share Class Indicators B and C Shares which result from the automatic reinvestment of dividends.

In addition the Management Company may also waive all or part of any applicable Contingent Deferred Sales Charge at the Management Company’s discretion. The Management Company has authorised the Distributor to waive all or part of the Contingent Deferred Sales Charge at the discretion of the Distributor in respect of subscriptions made by clients of the Distributor (including clients of distributors).

The alternative Sales Charge arrangements permit an investor to choose the method of purchasing Shares that is most beneficial given the amount of the purchase, the length of time the investor expects to hold the Shares and individual circumstances. Investors should determine whether under their particular circumstances it is more advantageous to incur an initial Sales Charge and not be subject to Distribution Fees and a Contingent Deferred Sales Charge, or to have the entire subscription amount invested in a Fund with the investment thereafter being subject to Distribution Fees and a Contingent Deferred Sales Charge.

REDEMPTION FEE IN RESPECT OF THE GLOBAL BUY AND HOLD 2020 BOND FUND

The Global Buy and Hold 2020 Bond Fund has been designed for investors who will invest in the Fund during the Asset Gathering Period (as defined in the Fund’s investment policy) and will hold their investment until the end of the Principal Investment Period. If a redemption is made during the Principal Investment Period, a redemption fee of up to 1.00% of the proceeds of the redemption will be levied by the Company. The redemption fee is a charge levied on redemption amounts, which is not contained within the price at which the Shares are redeemed. This amount will be retained for the benefit of the Fund.

2.2 Issue of Shares, Subscription and Payment Procedure

The Directors are authorised without limitation to issue fully paid up Shares of any Class at any time.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share of the relevant Class.

ISSUE OF SHARES

Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant Class in the relevant currency. For the currencies in which the Shares for the relevant Funds will be issued, please refer to the table in Section 2.7 “Net Asset Value Determination” below. Up-to-date information is available on www.morganstanleyinvestmentfunds.com or from the Distributor. Share Class Indicator A Shares of all Equity Funds, Bond Funds, Asset Allocation Funds and Alternative Investment Funds are subject to a Sales Charge calculated on the entire subscription amount in the subscription currency. However, in the event of a conversion from a Liquidity Fund into an Equity Fund, Bond Fund, Asset Allocation Fund or an Alternative Investment Fund the applicable Sales Charge for that Fund may be levied – see “Conversion of Shares” for further details. Details of the minimum initial and subsequent subscriptions for a Fund and the Sales Charge are set out in Section 2.1 “Share Class Description”.

Initial applications for Shares must be made on the Company’s Application Form or in a format acceptable to the Management Company containing the information required by the Management Company and must be forwarded to the Transfer Agent in Luxembourg, or to any distributor indicated on the Application Form. Subsequent applications may be made in writing or by fax. The Management Company may also decide that initial and subsequent subscription applications may be made by electronic or other means (provided that a duly completed Application Form is received for initial subscription applications).

The Management Company or its delegate may request an investor to provide additional information to substantiate any representation made by the investor in its application. The Management Company reserves in any case the right to reject any application for Shares, in whole or in part.

All applications are made subject to this Prospectus, the latest annual report and semi-annual report, if available, the Company’s Articles of Incorporation and the Application Form.

Joint applicants must each sign the Application Form unless an acceptable Power of Attorney or other written authority is provided.

Applications for Shares in all Funds received by the Transfer Agent before the Cut-Off Point for any Dealing Day will be processed on that Dealing Day based on the Net Asset Value per Share

determined for that Dealing Day. Applications for Shares in the Liquid Alternatives Fund received by the Transfer Agent before the Cut-Off Point on the Luxembourg Business Day prior to any Dealing Day will be processed on that Dealing Day based on the Net Asset Value per Share determined for that Dealing Day.

Any applications received by the Transfer Agent after the Cut-Off Point for any Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share next determined. Applications for Distributing Share Classes (Share Class Sub-Indicators “X” and “M”) and Discretionary Distributing Share Classes (Share Class Sub-Indicators “R” and “RM”) shall begin accruing dividends on the Dealing Day on which such orders are processed.

No distributor is permitted to withhold subscription orders to benefit themselves by a price change. Investors should note that they may be unable to purchase or redeem Shares through a distributor on days that such distributor is not open for business.

A collection agent (that is, an entity located in a Financial Action Task Force country or equivalent country, which collects subscription, redemption and conversion requests on behalf of the Management Company but does not process them) must receive an application before the Cut-Off Point for any Dealing Day in order for the Transfer Agent to process the application on the basis of the Net Asset Value per Share determined for that Dealing Day. Applications received by a collection agent after the Cut-Off Point for any Dealing Day will be processed by the Transfer Agent on the basis of the Net Asset Value per Share determined for the next Dealing Day. Where collection agents appointed by the Distributor receive subscription monies, those monies will have been subject to the anti-money laundering checks of an appointed distributor or the relevant collection agent.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point.

The Company’s Funds, with the exception of the US Dollar Liquidity Fund, are not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Company’s Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

Whilst recognising that Shareholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if deems such activities adversely

affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its Shareholders. Please refer to "Redemption of Shares" and "Conversion of Shares" for further information in relation to the measures which may be taken.

The Company may restrict or prevent the legal or beneficial ownership of Shares in the Company by any person (individual, corporation, partnership or other entity), and take any of the measures as further set forth in the Articles of Incorporation, if in the opinion of the Company such ownership or practices may (i) result in a breach of any provisions in the Articles of Incorporation, this Prospectus or law or regulations of any jurisdiction, or (ii) requires the Company, the Management Company or the Investment Manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its shares, whether in the United States of America or any other jurisdiction; or (iii) may cause the Company, the Management Company, the Investment Managers or Shareholders any legal, regulatory, taxation, administrative, financial or any other disadvantages which they would not have otherwise incurred (such person being herein referred to as "Prohibited Persons"). In particular, the Directors have resolved to prevent the ownership of Shares by any US Person (as defined pursuant to Regulation S under the U.S. Securities Act of 1933, as amended).

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

In case it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Fund which, either singly or when aggregated with other applications so received in respect of any Dealing Day (the "First Dealing Day") represents more than 10% of such Fund, the Directors may decide that all or part of such applications for Shares be deferred until the next Dealing Day so that not more than 10% of the Net Asset Value of the relevant Fund be subscribed for on the First Dealing Day.

If the Directors decide to defer all or part of such application, the applicant shall be informed prior to the deferral taking place. To the extent that any application is not given full effect on such First Dealing Day by virtue of the exercise of the power to pro-rate

applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days, until such application shall have been satisfied in full. With respect to any application received in respect of the First Dealing Day, to the extent that subsequent applications shall be received in respect of following Dealing Days, such later applications shall be postponed until after the satisfaction of applications relating to the First Dealing Day, but subject thereto shall be dealt with as set out in the preceding sentence.

The Management Company, in its sole and absolute discretion, retains the right to accept or refuse applications for payment for Shares in whole or in part by an in kind subscription of suitable investments. The transaction costs incurred in connection with the acceptance by the Management Company of an in-kind subscription will be borne directly by the incoming Shareholder. Any applicable Sales Charge will be deducted before investment commences. The investments forming the in-kind subscription will be valued and a report will be issued by the Company's auditors following their review of the methods of the valuation used by the Management Company for accepting the in-kind subscription.

Such review will be conducted in accordance with the professional recommendations of the *Institut des Réviseurs d'Entreprises*. The value determined, together with the Net Asset Value per Share calculated for the Class of Shares concerned in the relevant Fund, will determine the number of Shares to be issued to the incoming Shareholder. The purpose of the foregoing policy is to ensure that the existing Shareholders in a Fund do not bear the transaction costs of acquiring additional assets for a large incoming Shareholder.

Applicants for Shares may make payment in US Dollars, Euro, Yen or Sterling. Applicants can only make payment for Currency Hedged Share Classes (Share Class Sub-Indicators "H", "H1", "H2", "H3", "O") in the currency in which that share class is denominated, depending on the specific Class this may require payment in US Dollars, Euro, Yen, Sterling, Australian Dollars, Mexican Peso, Singapore Dollars, Swedish Krona, Swiss francs, or any other currency which the Management Company may decide. Where payment is made for any other Class in a currency in which the relevant Class does not issue a Net Asset Value per Share, the Administrator will arrange for the necessary currency transaction to convert the subscription monies into the Reference Currency of the relevant Fund. Any such currency transaction will be effected with the Depositary or the Distributor at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

In the case of subscriptions for Shares with Share Class Indicators A, B, C and F of all Funds and Shares with Share Class Indicators I and Z of the US Dollar Liquidity Fund unless prior arrangements

have been made, cleared funds must be received by the Transfer Agent on the Business Day prior to the relevant Dealing Day in order for the Applicant to receive the Net Asset Value per Share determined for that Dealing Day.

In the case of subscription for Shares with Share Class Indicators E, I, S and Z for all Funds except the US Dollar Liquidity Fund, cleared funds must be received by the Transfer Agent by 1 p.m. CET, within three Business Days after the Dealing Day.

Full payment instructions are set out in the Application Form and may also be obtained through a Distributor or the Transfer Agent. Applicants for Shares should note that cheques are not accepted as means of payment.

Where Shares are subscribed through a distributor, different payment arrangements to those set out above may apply and will be available from the relevant distributor.

If timely settlement is not made (or a completed Application Form is not received for an initial subscription), the relevant allotment of Shares may be cancelled and the subscription monies returned to the applicant without interest. Alternatively, if payment is received in respect of any application after the settlement date, the Management Company will consider the application as being an application for the number of Shares which can be purchased or subscribed with such payment on the next Dealing Day. An applicant may be required to compensate the relevant distributor and/or the Company for the costs of late or non-payment. The Management Company will have the power to redeem all or part of the applicant's holding of Shares in order to meet such costs.

CONFIRMATION NOTES

A Confirmation Note is sent to the applicant by ordinary post (or by fax, electronic or other means) on the Dealing Day the order is processed, providing full details of the transaction.

It is recommended that applicants check Confirmation Notes on receipt.

All Shares are issued in registered form and the share register is conclusive evidence of ownership. The Company treats the registered owner of a Share as the absolute and beneficial owner thereof.

Shares are issued in uncertificated form. The uncertificated form enables the Management Company to effect redemption instructions without undue delay.

The Distributor may permit any distributor to be involved in the collection of subscription, redemption and conversion orders on behalf of the Company and any of the Funds and may itself or arrange for a third party (including a distributor) to, in that case, provide a nominee service for applicants purchasing Shares through them. Applicants may elect, but are not obliged, to make use of such nominee service pursuant to which the nominee will hold Shares in its name for and on behalf of the applicants who shall be entitled at any time to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect. Applicants retain the ability to directly invest in the Company without using a nominee service.

Applicants are allocated a Shareholder number on acceptance of their application and this together with the Shareholder's personal details are proof of identity. This Shareholder number should be used for all future dealings by the Shareholder with the Management Company or the Transfer Agent.

Any changes to the Shareholder's personal details or loss of Shareholder number must be notified immediately to the Transfer Agent in writing. Failure to do so may result in delay upon redemption. The Management Company on behalf of the Company reserves the right to require an indemnity or verification countersigned by a bank, stockbroker or other party acceptable to it before accepting such instructions.

If any application is not accepted in whole or in part the application monies or the balance outstanding will be returned to the applicant by post or bank transfer at the applicant's risk.

GENERAL PROVISIONS

The Management Company reserves the right to reject any application or to accept the application in part only. Furthermore, the issue and sale of Shares of any Class in any or all Funds may be discontinued without notice.

Subscriptions will be accepted upon verification by the Distributor that the relevant investors have received a key investor information document of the Class of Share into which they intend to subscribe.

Pursuant to the Law of 19 February 1973 on the sale of medicinal substances and the defence against drug addiction, as last amended by the Law of 11 August 1998, to the Law of 12 November 2004 relating to the fight against money laundering and financing of terrorism, and the relevant Circulars issued by the Luxembourg Supervisory Authority, Luxembourg has regulations in place for the prevention of money laundering from drug trafficking proceeds. As a result, evidence of the identity of subscribers, including the provision of supporting documentation, may be required by the Management Company. Such information may be collected at the time an application for Shares is made.

No Shares will be issued by the Company during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended by the Company pursuant to the powers reserved to it by its Articles of Incorporation and as discussed herein under “Temporary Suspension of Calculation of Net Asset Value”.

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Management Company prior to the Cut-Off Point in respect of the first Dealing Day following the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

DIRECTORS’ POWERS

The Directors may, at any time and in their discretion, resolve to close a Fund or one or more Class of Shares to subscriptions for a period of time. The circumstances in which they may do so include, but are not limited to, circumstances where the strategy run by the relevant Investment Adviser or Sub-Adviser, of which the Fund forms part, has reached a size where, in the opinion of the Investment Adviser or Sub-Adviser, the universe of securities in which the strategy may invest may become too small to enable the Investment Adviser or Sub-Adviser to continue to invest the assets of the strategy effectively if the Fund, and therefore the strategy, continues to grow. Such Funds may be re-opened at any time by a resolution of the Board.

ANTI-DILUTION MEASURES

To the extent that the Management Company considers that it is in the best interests of Shareholders, taking into account factors including the prevailing market conditions, the level of subscriptions and redemptions in a particular Fund and the size of the Fund, the Management Company may adjust the Net Asset Value of a Fund (“Swing Pricing”) to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments (“Swing Factor”) to satisfy the net transactions received in respect of a particular Dealing Day. Under normal market circumstances, the Swing Factor shall not exceed 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day. When net subscriptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value of the Fund is adjusted downwards by the Swing Factor.

2.3 Redemption of Shares

Shares may be redeemed on any Dealing Day subject to the limitations described below. Shares of all Classes will be redeemed at a price corresponding to the Net Asset Value per Share of the relevant Class in the relevant currency.

PROCEDURE FOR REDEMPTION

Shareholders wishing to have all or some of their Shares redeemed may do so by fax or by letter to the Transfer Agent or to a distributor. The Management Company may also decide that applications for redemptions may be made by electronic or other means.

The application for redemption must include (i) the monetary amount the Shareholder wishes to redeem, or (ii) the number of Shares the Shareholder wishes to redeem. In addition, the application for redemption must include the Shareholder's personal details together with the Shareholder's account number. Failure to provide any of this information may result in delay of the application for redemption whilst verification is being sought from the Shareholder.

Upon redemption of Distributing Share Classes (Share Class Sub-Indicators "X" and "M") and Discretionary Distributing Share Classes (Share Class Sub-Indicators "R" and "RM"), all dividends will accrue up to, and including, the Dealing Day on which such orders are processed. Holders of Share Class Indicators B and C Distributing Share Classes and Discretionary Distributing Share Classes Shares may be subject to a Contingent Deferred Sales Charge in accordance with Section 2.1 "Share Class Description".

Such applications for redemption will be considered as binding and irrevocable by the Company except in the event of a suspension of the calculation of the Net Asset Value per Share. Written confirmations may be required by the Management Company and must be duly signed by all registered holders, unless in the case of joint registered holders, each such holder has sole signing authority.

Applications for redemption from all Funds received by the Transfer Agent before the Cut-Off Point for any Dealing Day will be processed on that Dealing Day based on the Net Asset Value per Share determined for that Dealing Day. Any applications received by the Transfer Agent after the Cut-Off Point for any Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share next determined.

No distributor is permitted to withhold redemption orders received to benefit themselves by a price change. Investors should note that they may be unable to redeem Shares through a distributor on days that such distributor is not open for business.

A collection agent (that is, an entity located in a Financial Action Task Force country or equivalent country, which collects subscription, redemption and conversion requests on behalf of the

Management Company but does not process them) must receive an application for redemption before the Cut-Off Point for any Dealing Day in order for the Transfer Agent to process the application on the basis of the Net Asset Value per Share determined for that Dealing Day. Applications received by a collection agent in respect of a Dealing Day after the Cut-Off Point will be processed by the Transfer Agent on the basis of the Net Asset Value per Share determined for the next Dealing Day.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share for a Dealing Day is calculated at the valuation point following the Cut-Off Point.

The Company's Funds, with the exception of the US Dollar Liquidity Fund, are not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Company's Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

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

Accordingly if the Management Company determines or suspects that a Shareholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Shareholder's application and take any action or measures as appropriate or necessary to protect the Company and its Shareholders. A redemption fee of up to 2% of an individual redemption may be applied where the Management Company, in its discretion, determines that the shareholder has engaged in trading practices which adversely affect the interests of the Company's shareholders or where it is otherwise appropriate to protect the interest of the Company. The fee is retained for the benefit of continuing Shareholders of the relevant Fund.

A Confirmation Note providing full details of the transaction and the redemption proceeds is sent to the applicant by ordinary post (or by fax, electronic or other means) on the Dealing Day the order is processed.

For redemptions from the US Dollar Liquidity Fund, the applicant will be notified of the redemption proceeds on the Dealing Day the order is processed. The redemption proceeds will take into account any applicable Contingent Deferred Sales Charge and Shareholders are reminded that the redemption proceeds can be higher or lower than the initial subscription amount.

It is recommended that applicants check Confirmation Notes on receipt.

Payment for Shares redeemed will be effected no later than three Business Days after the relevant Dealing Day for all Funds except the US Dollar Liquidity Fund and the Liquid Alternatives Fund. Payment for Shares redeemed from the US Dollar Liquidity Fund will be effected on the Dealing Day the redemption request is processed. Payment for Shares redeemed from the Liquid Alternatives Fund will be effected no later than four Business Days after the relevant Dealing Day.

Unless otherwise specified by the Shareholder on the application for redemption, such redemption will be paid in the Reference Currency of the Fund or, if applicable, in the currency which the Currency Hedged Share Class is denominated from which the Shareholder is redeeming. If necessary, the Administrator will arrange the currency transaction to convert the redemption monies from the Reference Currency of the relevant Fund into the relevant currency. Such currency transaction will be effected with the Depositary or the Distributor at the Shareholder's cost if the currency is not one in which the Net Asset Value per Share of the Class from which the Shareholder is redeeming is issued. The Directors reserve the right to delay payment for up to ten Business Days from the relevant Dealing Day if market conditions are unfavourable where it considers such action to be in the best interests of the remaining Shareholders.

TEMPORARY SUSPENSION OF REDEMPTION

The redemption of Shares of the Company will be suspended during any period when the calculation of the Net Asset Value per Share of the relevant Class is suspended in accordance with the section "Temporary Suspension of Calculation of Net Asset Value" herein. Any Shareholder tendering Shares for redemption will be notified of such period of suspension. The Shares in question will be redeemed on the first Dealing Day following the end of the suspension period.

If a period of suspension lasts for more than one calendar month after the date of an application for redemption, the application may be cancelled by the Shareholder by notice in writing to a distributor or to the Management Company, provided that the notice is received by the distributor or the Management Company prior to any relevant deadline notified to the Shareholder on the last Dealing Day of the suspension period.

COMPULSORY REDEMPTION

If the Net Asset Value of any Fund or Class of Shares at any valuation point shall become at any time less than 100 million Euros, or its equivalent in the Reference Currency of the relevant Fund, the Company may, at its discretion, redeem all but not less than all of the Shares of the applicable Classes of Shares in compliance with the procedure set forth under *Dissolution* of Section 3.1 "General Information".

A Contingent Deferred Sales Charge, if applicable, will not be levied on the redemption proceeds of Share Class Indicators B and C Shares subject to this type of compulsory redemption.

If the Management Company receives a request for redemption of Shares relating to: (i) part of a holding of Shares with a value of less than \$2,500 or its equivalent, or (ii) if after redemption the holder would be left with a balance of Shares having a value of less than the current minimum holding amount or less than US\$100 or its equivalent, the Company may treat this as a request to redeem such Shareholder's entire holding or may at a later date, upon providing them with one month's notice, elect to either compulsorily redeem their holding or convert their holding into another Share Class.

If it shall come to the attention of the Company at any time that Shares are beneficially owned by a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Company with evidence of such sale within thirty days of being so directed by the Company, the Company may in its discretion take any of the measures as further set forth in the Articles of Incorporation, including compulsorily redeem such Shares at their Redemption Price in accordance with the Articles of Incorporation. Immediately after the close of business specified in the notice given to the Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investors will cease to be the owners of such Shares. Share Class Indicators B and C Shareholders should note that in these circumstances, if applicable, a Contingent Deferred Sales Charge will be levied on the redemption proceeds. In particular, if a Shareholder holds less than the minimum holding amount, or does not fall within the target audience for a Class of Shares as prescribed under Section 2.1 "Share Class Description", the Company may, upon providing them with one month's notice, compulsorily redeem their holding in compliance with the procedure as mentioned above.

Any Shareholder or prospective Shareholder may be required to furnish with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person.

PROCEDURES FOR REDEMPTIONS AND CONVERSIONS REPRESENTING TEN PERCENT OR MORE OF ANY FUND

If any application for redemption or conversion is received in respect of any one Dealing Day (the "First Dealing Day") which either singly or when aggregated with other applications so received, is more than 10% of the Net Asset Value of any one Fund, the Company reserves the right in its sole and absolute discretion (and acting in the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Dealing Day so that not more than 10% of the Net Asset Value of the relevant Fund be redeemed or converted on such First Dealing Day. In circumstances where the 10% threshold is

met as a result of the aggregation of a number of applications, only those applications exceeding a threshold, currently 2%, of the Net Asset Value of the relevant Fund, will be scaled down pro rata. For example, if applications representing 1%, 3%, 5% and 6% of the Net Asset Value of a Fund are received, only the applications representing 3%, 5% and 6% will be scaled down pro rata. The Company may in its discretion change the threshold as it may decide is appropriate in which case the Prospectus will be amended accordingly.

To the extent that any application is not given full effect on such First Dealing Day by virtue of the exercise of the power to pro-rate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days, until such application shall have been satisfied in full. With respect to any application received in respect of the First Dealing Day, to the extent that subsequent applications shall be received in respect of following Dealing Days, such later applications shall be postponed until after the satisfaction of applications relating to the First Dealing Day, but subject thereto shall be dealt with as set out in the preceding sentence.

Alternatively, the Management Company, in its sole and absolute discretion, may ask such Shareholder to accept payment in whole or in part by an in-kind distribution of securities in lieu of cash. The securities forming the in-kind distribution will be valued and a valuation report obtained from the Company's auditors in connection with the in-kind distribution. Investors who receive securities in lieu of cash upon redemption should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the redeeming Shareholder of the securities may be more or less than the Redemption Price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value per Share and bid prices received on the sale of the securities. In the event that a Contingent Deferred Sales Charge is payable on the redemption proceeds of the Share Class Indicators B and C Shares, securities will be retained by the Company to cover such Contingent Deferred Sales Charge before the remaining securities are transferred to the redeeming Shareholder. No Shareholder can be required to accept an in-kind distribution against their will. To the extent that a Shareholder refuses payment in whole or in part by an in-kind distribution of securities in lieu of cash, such redemption will be paid in the Reference Currency of the Fund or, if applicable, in the currency which the Currency Hedged Share Class is denominated from which the Shareholder is redeeming.

ANTI-DILUTION MEASURES

To the extent that the Management Company considers that it is in the best interests of Shareholders, taking into account factors including the prevailing market conditions, the level of subscriptions and redemptions in a particular Fund and the size of the Fund, the

Management Company may adjust the Net Asset Value of a Fund ("Swing Pricing") to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments ("Swing Factor") to satisfy the net transactions received in respect of a particular Dealing Day. Under normal market circumstances, the Swing Factor shall not exceed 2% of the Net Asset Value of the relevant Fund on the relevant Dealing Day. When net subscriptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value is adjusted upwards by the Swing Factor. Similarly, when net redemptions in a Fund exceed a certain threshold on a given Dealing Day, the Net Asset Value of the Fund is adjusted downwards by the Swing Factor.

2.4 Conversion of Shares

With the exception of the Liquid Alternatives Fund, Shareholders are entitled to convert all or part of their Shares of one Fund into Shares of the same Class of other Funds and may also convert from one Class of Shares of a Fund into other Classes of Shares of that Fund or other Funds in accordance with the table below, without charge, except as otherwise provided below and provided that the Shareholder meets the eligibility criteria for the Class of Share into which they are converting, as detailed in Section 2.1 “Share Class Description” above. Conversion of shares either into or out of the Liquid Alternatives Fund is not permitted. The Share Class Indicator E Shares may not be converted.

Conversions are always processed in a common currency. Where conversion is between Share Classes whose net asset values are issued in a common currency, the conversion will be processed in

the common currency specified by the investor. Where there is not a common currency between the net asset values of the converting Share Classes, then no conversion is possible except with the specific approval of the Management Company and the investor will need to redeem their holding and subscribe for their chosen Share Class in the appropriate currency.

The Management Company may, at its discretion, accept other conversions than those detailed as permissible in the table below. In certain jurisdictions, where conversions are submitted via a third party agent, different arrangements may apply and the permitted conversions may differ from those set out in the following table. Investors should contact their third party agent for more information.

| | | INTO | | | | | | | |
|---------------------------|-----------------------|------|---|---|---|---|---|---|---|
| O U T O F | Share Class Indicator | A | B | C | F | I | N | S | Z |
| | A | ✓ | X | X | ✓ | ✓ | X | X | ✓ |
| | B | ✓ | ✓ | X | ✓ | X | X | X | X |
| | C | X | X | ✓ | ✓ | X | X | X | X |
| | F | X | X | X | ✓ | X | X | X | X |
| | I | ✓ | X | X | ✓ | ✓ | X | ✓ | ✓ |
| | N | X | X | X | X | X | ✓ | X | X |
| | S | X | X | X | X | X | X | ✓ | ✓ |
| | Z | X | X | X | X | X | X | ✓ | ✓ |

Applications may be sent in writing by fax to the Transfer Agent or to a distributor stating which Shares are to be converted. The Management Company may also decide that applications for conversion may be made by electronic or other means. The application for conversion must include (i) the monetary amount the Shareholder wishes to convert or (ii) the number of Shares the Shareholder wishes to convert, together with the Shareholder's personal details and Shareholder's account number. Failure to provide any of this information may result in delay of the application for conversion whilst verification is being sought from the Shareholder. The period of notice is the same as for applications for redemption. The application for conversion must be accompanied, as appropriate, by the registered share certificate or by a form of transfer, duly completed, or by any other document providing evidence of transfer.

The Management Company may refuse to accept a conversion application if it is detrimental to the interests of the Company or the Shareholders taking into account the monetary amount or number of Shares to be converted, market conditions or any other

circumstances. The Management Company may, for example, at its discretion, decide to refuse a conversion application to protect a Fund and the Shareholders from the effects of short term trading or may limit the number of conversions between Funds which are permitted.

A conversion fee of up to 2% may be applied by the Management Company, in its discretion, determine that the shareholder has engaged in trading practices which adversely affect the interests of the Company's shareholders or where it is otherwise appropriate to protect the interest of the Company and its shareholders. The fee is retained for the benefit of continuing Shareholders of the relevant Fund.

Conversion within Share Class Indicators A, I and Z Shares from one Fund to another Fund, with the exception of conversions from a Liquidity Fund, will not result in a Sales Charge being levied on the amount to be converted. However, where a Shareholder's investment in the Company is through Class A Shares of a Liquidity Fund, and such investment has not yet attracted a Sales

Charge, any subsequent conversion of that investment from such Class of Shares of a Liquidity Fund into one of the other Funds may result in the payment of the applicable Sales Charge for the new Fund based on the amount to be invested in the new Fund. The Sales Charge will be deducted from the amount to be invested in the new Fund by the Transfer Agent at the time of the conversion and paid to the distributor.

Conversion within Share Class Indicators B and C Shares from one Fund to another Fund will not affect the initial purchase date nor the rate which will be applied upon redemption from the new Fund, as the rate which will be applied will be determined based on the first Fund in which the Shareholder purchased Shares. Any conversion of Class B Shares to any other Class of Shares of any Fund within four years of the subscription date will be treated as a redemption and may be subject to a Contingent Deferred Sales Charge as detailed in Section 2.1 "Share Class Description". Any conversion of Share Class Indicator C Shares to any other Class of Shares of any Fund within less than one year of the subscription date will be treated as a redemption and may be subject to a Contingent Deferred Sales Charge as detailed in Section 2.1 "Share Class Description".

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding and the remaining balance within the existing holding is below the minimum requirement (which is the current minimum initial subscription amount as detailed in this Prospectus), the Company is not bound to comply with such application for conversion.

If a Shareholder holds less than the minimum holding amount for a class of Shares as prescribed under Section 2.1 "Share Class Description", the Management Company may, upon providing them with one month's notice, compulsorily convert such Shareholder's holding into another class of Shares.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share of a relevant Class.

For all Funds, applications for conversion received by the Transfer Agent on any Dealing Day before the Cut-Off Point will be processed on that Dealing Day based on the Net Asset Value per Share determined on that Dealing Day using the relevant valuation methodology for the particular Fund. Any applications received after the Cut-Off Point will be processed on the next Dealing Day on the basis of the Net Asset Value per Share next determined.

Applications for conversion received before the Cut-Off Point in respect of a Dealing Day shall begin accruing dividends on that Dealing Day.

A collection agent (that is, an entity located in a Financial Action Task Force country or equivalent country, which collects subscription, redemption and conversion requests on behalf of the Management Company but does not process them) must receive an application for conversion in respect of a Dealing Day before the Cut-Off Point in order for the Transfer Agent to process the application on the basis of the Net Asset Value per Share determined for that Dealing Day. Applications received by a collection agent after the Cut-Off Point will be processed by the Transfer Agent on the basis of the Net Asset Value per Share determined for the next Dealing Day.

Investors should note that they may be unable to convert Shares through a distributor on days that such distributor is not open for business.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point.

The Company's Funds, with the exception of the US Dollar Liquidity Fund, are not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Company's Shareholders (for example that disrupt investment strategies or impact expenses) are not permitted. Specifically, market timing is not permitted.

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

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

Applications for conversion in respect of any one Dealing Day which either singly or when aggregated with other applications for conversion or redemption so received, represent more than 10% of the Net Asset Value of any one Fund, may be subject to additional procedures set forth herein under "Procedures for Redemptions and Conversions Representing Ten Percent or more of any Fund".

The rate at which all or part of the Shares in a given Fund (the “Original Fund”) are converted into Shares in another Fund (the “New Fund”), or all or part of the Shares of a particular Class (the “Original Class”) are converted into another Class within the same Fund (the “New Class”), is determined in accordance with the following formula:

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

where:

- A is the number of Shares to be allocated in the New Fund or New Class;
- B is the number of Shares of the Original Fund or Original Class which is to be converted;
- C is the Net Asset Value per Share (minus the relevant Sales Charge payable if the Original Fund is a Liquidity Fund) of the Original Class or the relevant Class within the Original Fund at the relevant valuation point;
- D is the Net Asset Value per Share of the New Class or the relevant Class within the New Fund at the relevant valuation point; and
- E is the actual rate of exchange on the day concerned applied to conversions between Funds denominated in different currencies, and is equal to 1 in relation to conversions between Funds or Classes denominated in the same currency.

After conversion of the Shares, the Transfer Agent will inform the Shareholder of the number of Shares of the New Fund or New Class obtained by conversion and the price thereof. A Confirmation Note will be sent to the Shareholder by ordinary post (or by fax, electronic or other means) on the Dealing Day, providing full details of the transaction.

It is recommended that applicants check Confirmation Notes on receipt.

Requests for conversions will be accepted upon verification by the Distributor that the relevant shareholders have received a key investor information document of the Class of Share into which they intend to convert.

Any fractions of Shares can be allotted and issued unless the Shareholder holds Shares through Euroclear (see Section 3.1 “General Information”).

2.5 Charges and Expenses

Under the terms of the Management Company Services Agreement the Management Company is entitled to receive a Management Fee at the annual rates set out below. Under the Investment Advisory Agreements the Investment Advisers are entitled to receive a fee for their discretionary investment management and investment advisory services. Under the Distribution Agreement the Distributor is entitled to receive a fee for their distribution services. The fees of the Investment Adviser and the Distributor will be paid out of the Management Fee.

| Management Fee | Share Class Indicators: A and B | Share Class Indicator: C | Share Class Indicators: F, I and Z | Share Class Indicator: S |
|---|---------------------------------|--------------------------|------------------------------------|--------------------------|
| Equity Funds | | | | |
| Asia Opportunity Fund | 1.60% | 2.40% | 0.75% | 0.75% |
| Asian Equity Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Asia-Pacific Equity Fund | 1.50% | 2.30% | 0.85% | 0.85% |
| Asian Property Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Breakout Nations Fund | 1.50% | 2.20% | 0.75% | 0.75% |
| Emerging Europe, Middle East and Africa Equity Fund | 1.60% | 2.40% | 1.10% | 1.10% |
| Emerging Leaders Equity Fund | 1.90% | 2.60% | 0.75% | 0.75% |
| Emerging Markets Equity Fund | 1.60% | 2.40% | 1.10% | 1.10% |
| European Champions Fund | 1.50% | 2.20% | 0.75% | 0.75% |
| European Equity Alpha Fund | 1.20% | 1.90% | 0.70% | 0.70% |
| European Property Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Eurozone Equity Alpha Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Frontier Emerging Markets Equity Fund | 2.40% | 3.00% | 1.20% | 1.20% |
| Global Active Factor Equity Fund | 1.35% | 1.80% | 0.55% | 0.55% |
| Global Advantage Fund | 1.60% | 2.40% | 0.75% | 0.75% |
| Global Brands Equity Income Fund | 1.75% | 2.50% | 0.85% | 0.85% |
| Global Brands Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Global Discovery Fund | 1.60% | 2.40% | 0.75% | 0.75% |
| Global Infrastructure Fund | 1.50% | 2.30% | 0.85% | 0.85% |
| Global Opportunity Fund | 1.60% | 2.40% | 0.75% | 0.75% |
| Global Property Fund | 1.50% | 2.30% | 0.85% | 0.85% |
| Global Quality Fund | 1.60% | 2.40% | 0.75% | 0.75% |
| Indian Equity Fund | 1.60% | 2.40% | 0.90% | 0.90% |
| International Equity (ex US) Fund | 1.60% | 2.40% | 0.75% | 0.75% |
| Japanese Equity Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Latin American Equity Fund | 1.60% | 2.40% | 1.00% | 1.00% |

| Management Fee | Share Class Indicators: A and B | Share Class Indicator: C | Share Class Indicators: F, I and Z | Share Class Indicator: S |
|--|---------------------------------|--------------------------|------------------------------------|--------------------------|
| Equity Funds | | | | |
| US Active Factor Equity Fund | 1.10% | 1.50% | 0.45% | 0.45% |
| US Advantage Fund | 1.40% | 2.20% | 0.70% | 0.70% |
| US Growth Fund | 1.40% | 2.20% | 0.70% | 0.70% |
| US Insight Fund | 1.50% | 2.20% | 0.70% | 0.70% |
| US Mid Cap Growth Fund | 1.40% | 2.20% | 0.70% | 0.70% |
| US Property Fund | 1.40% | 2.20% | 0.75% | 0.75% |
| Bond Funds | | | | |
| Absolute Return Fixed Income Fund | 1.00% | 1.45% | 0.45% | 0.45% |
| Asian Fixed Income Opportunities Fund | 1.20% | 1.80% | 0.60% | 0.60% |
| Emerging Markets Corporate Debt Fund | 1.45% | 2.15% | 0.95% | 0.95% |
| Emerging Markets Debt Fund | 1.40% | 2.10% | 0.90% | 0.60% |
| Emerging Markets Domestic Debt Fund | 1.40% | 2.10% | 0.90% | 0.90% |
| Emerging Markets Fixed Income Opportunities Fund | 1.40% | 1.90% | 0.70% | 0.70% |
| Euro Bond Fund | 0.80% | 1.45% | 0.45% | 0.45% |
| Euro Corporate Bond Fund | 0.80% | 1.45% | 0.45% | 0.40% |
| Euro Strategic Bond Fund | 0.80% | 1.45% | 0.45% | 0.45% |
| European Currencies High Yield Bond Fund | 0.85% | 1.50% | 0.50% | 0.50% |
| Global Bond Fund | 0.80% | 1.45% | 0.45% | 0.45% |
| Global Buy and Hold 2020 Bond Fund | 0.50% | N/A | 0.30% | 0.30% |
| Global Buy and Maintain Bond Fund | 0.60% | 0.95% | 0.20% | 0.20% |
| Global Convertible Bond Fund | 1.00% | 1.60% | 0.60% | 0.55% |
| Global Credit Fund | 0.80% | 1.45% | 0.45% | 0.45% |
| Global Fixed Income Opportunities Fund | 1.00% | 1.45% | 0.45% | 0.45% |
| Global High Yield Bond Fund | 1.00% | 1.60% | 0.60% | 0.60% |
| Global Mortgage Securities Fund | 1.00% | 1.60% | 0.50% | 0.50% |
| Global Premier Credit Fund | 0.80% | 1.45% | 0.45% | 0.45% |
| Short Maturity Euro Bond Fund | 0.80% | 1.45% | 0.45% | 0.45% |
| US Dollar Corporate Bond Fund | 0.80% | 1.35% | 0.35% | 0.35% |
| US Dollar High Yield Bond Fund | 1.25% | 1.70% | 0.50% | 0.50% |
| US Dollar Short Duration Bond Fund | 0.50% | 0.70% | 0.20% | 0.20% |
| US Dollar Short Duration High Yield Bond Fund | 1.00% | 1.30% | 0.40% | 0.40% |

| Management Fee | Share Class Indicators: A and B | Share Class Indicator: C | Share Class Indicators: F, I and Z | Share Class Indicator: S |
|--|---------------------------------|--------------------------|------------------------------------|--------------------------|
| Liquidity Fund | | | | |
| US Dollar Liquidity Fund | 0.50% | 0.85% | 0.20% | 0.20% |
| Asset Allocation Funds | | | | |
| Diversified Alpha Plus Fund | 1.75% | 2.45% | 0.80% | 0.80% |
| Diversified Alpha Plus Low Volatility Fund | 1.65% | 2.40% | 0.70% | 0.70% |
| Global Balanced Fund | 2.00% | 2.70% | 0.80% | 0.80% |
| Global Balanced Defensive Fund | 1.00% | 1.70% | 0.40% | 0.40% |
| Global Balanced Risk Control Fund of Funds | 2.00% | 2.70% | 0.80% | 0.80% |
| Global Balanced Income Fund | 2.00% | 2.70% | 0.80% | 0.80% |
| Global Multi-Asset Income Fund | 1.75% | 2.45% | 0.75% | 0.75% |
| Alternative Investment Funds | | | | |
| Liquid Alpha Capture Fund | 1.35% | 1.85% | 0.55% | 0.55% |
| Liquid Alternatives Fund | 1.50% | 2.30% | 0.60% | 0.60% |

Employee Shares (Share Class Indicator E) are available for the Global Brands Fund (Management Fee payable of 0.55%); the Global Quality Fund (Management Fee payable of 0.55%); and the International Equity (ex US) Fund (Management Fee payable of 0.55%).

No Management Fee is payable in respect of Share Class Indicator N Shares.

Where the Distributor and its affiliates invest on behalf of clients, or their clients invest directly into Share Class Indicator N Shares, such clients may pay to the Distributor or its affiliates a base management fee, a performance fee or a mixture of both a base management fee and a performance fee.

Pursuant to the Management Company Services Agreement, the Equity Funds, Bond Funds, Asset Allocation Funds and Alternative Investment Funds will pay the Management Company a Distribution Fee, accrued daily and paid monthly, at the annual rate of 1.00% of the average daily Net Asset Value of Shares with a Share Class Indicator B as compensation for providing distribution-related services to the Funds with respect to such Shares. The US Dollar Liquidity Fund will pay the Management Company a Distribution Fee, accrued daily and paid monthly, at the annual rate of 0.75% of the average daily Net Asset Value for Share Class Indicator B Shares.

Under the Distribution Agreement the Distributor is entitled to receive a fee for their distribution services which will be paid from

the Distribution Fee. The Management Company or Distributor may pay an amount of any Distribution Fee it receives to distributors with whom it has distribution agreements. Additionally, the Management Company, Distributor or Investment Adviser(s) may pay a portion of the Management Fee related to any Share Class to distributors, dealers or other entities that assist the Management Company, Distributor or Investment Adviser(s) in the performance of their duties or provide services, directly or indirectly, to the Funds or their Shareholders, and may pay a portion of the Management Fee related to any Share Class on a negotiated basis in a private arrangement with a holder or prospective holder of Shares. The selection of holders or prospective holders of Shares with whom such private arrangements may be made and the terms on which the Management Company, Distributor or Investment Adviser(s) or their affiliates, designees or placement agents may enter into such private arrangements are a matter for the Management Company, Distributor or Investment Adviser(s) except that the Distributor or Investment Adviser(s) may not enter into any such arrangements unless, as a condition of any such arrangements, neither the Company nor the Management Company will thereby incur any obligation or liability whatsoever.

The Funds will also be subject to a monthly Administration Charge at a current maximum annual rate of 0.25% of the Funds' aggregate average daily Net Asset Value attributable to all Classes of Shares of the Funds which will be applicable as follows:

| Share Class Indicator | Administration Charge |
|-----------------------|-----------------------|
| A, B, C and F | 0.25%* |
| I and Z | 0.18%* |
| S | 0.10% |
| E and N | 0.10% |

* Except for the US Dollar Liquidity Fund which charge 0.15%.

The Administration Charge will remain in force for an unlimited period and may be changed by the Management Company upon no less than one month's prior written notice. The Administration Charge will be utilised by the Company to pay the fees of the Administrator, the Transfer Agent, the Domiciliary Agent and the Management Company. The Funds will also pay other expenses incurred in the operation of the Company out of the Administration Charge including, without limitation, formation expenses of new Funds, the fees of the Depositary, expenses for legal and auditing services, cost of any proposed listings, maintaining such listings, expenses which relate to the administrative or operational support of distribution (including the fees of local representatives or paying agents, platform fees and related administrative services), reporting and publishing expenses (including preparing, printing, advertising and distributing Shareholders' reports and prospectuses), the remuneration of the Directors including all reasonable out-of-pocket

expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, and the costs of publication of the Net Asset Value per Share, whether such publication is required for regulatory purposes or otherwise. As the amount of such expenses varies, the Administration Charge may generate a surplus or a loss for the Management Company. The Management Company may retain surpluses but will not seek to recover losses.

Certain Funds and Share Classes will also pay Specific Additional Costs in addition to the Administration Charge, including, without limitation, *taxe d'abonnement*, additional custody fees applicable to investment in emerging markets, hedging expenses and the costs relating to the subsidiaries. These Specific Additional Costs will remain in force for an unlimited period and may be changed by the Management Company upon no less than one month's prior written notice. These Specific Additional Costs are applicable as follows:

Taxe d'abonnement

| Share Class Indicator | taxe d'abonnement |
|----------------------------|-------------------|
| A, B, C, E, F and I | 0.05%* |
| N, S and Z | 0.01%** |

* Except for the US Dollar Liquidity Fund where the rate is currently 0.00%.

** Except for the US Dollar Liquidity Fund where the rate is currently 0.00%.

Hedging Expenses

| Share Class Sub-Indicator | Hedging Expenses |
|----------------------------|------------------|
| H, H1, H2, H3 and O | 0.04% |

Specific Additional Costs are made on the following Funds in addition to the share class costs above:

| | Emerging Market Custody | Subsidiary |
|---|----------------------------|------------|
| Indian Equity Fund | 0.05% | 0.05% |
| Asia Opportunity Fund, Asian Equity Fund, Asia-Pacific Equity Fund, Emerging Europe Middle East and Africa Equity Fund, Emerging Leaders Equity Fund, Emerging Markets Equity Fund, Frontier Emerging Markets Equity Fund, Latin American Equity Fund | 0.05% | 0.00% |

The Management Company may pay an amount of the Fees and Charges it receives to distributors, dealers or other entities that assist the Management Company in the performance of its duties or provide services, directly or indirectly to the Funds or their Shareholders.

The Management Company may instruct the Company to pay a proportion of any Fee, Charge or Cost directly out of the assets of

the Company to any service providers. In such case the Fee, Charge or Cost is reduced accordingly.

In the case of any individual Fund or Class, the Management Company, Investment Adviser(s) and/or Distributor may choose to waive or rebate all of their Fees and Charges or any portion thereof at their absolute discretion for an indefinite period.

All Fees, Charges and Costs are payable monthly in arrears and calculated on the average daily net assets (before the deduction of any Fees, Charges and Costs).

The allocation of costs and expenses to be borne by the Company among the various Funds and Classes will be made in accordance with Article 11 of the Articles of Incorporation. It is possible that Specific Additional Costs charged to the Funds and Classes may generate a surplus or a loss for the Management Company as actual expenses paid may vary from the amounts set out above. The Management Company may retain surpluses but will not seek to recover losses.

In certain jurisdictions, where subscriptions, redemptions and conversions are made through a third party agent, additional fees and charges may be imposed by that third party. These may be charged to the local investor or to the Company, and paid out of the Administration Charge.

OTHER CHARGES

TRANSACTION FEES

Each Fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable, and other transaction related expenses. These transaction fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Fund to which they are attributable. Transaction fees are allocated across each Fund's Share Classes.

EXTRAORDINARY EXPENSES

The Company bears any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets.

COSTS RELATING TO THE USE OF EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

The Company has entered into securities lending arrangements with J.P. Morgan Chase Bank NA (London Branch) ("JPM") to participate in the securities lending programme operated by JPM, under normal commercial terms. Under the terms relating to the relevant securities lending arrangement, JPM is entitled to retain a small proportion of the income arising from securities lending transactions as revenue for its services. The balance of the income generated will be accrued to the Funds that lent the securities.

All revenues arising from repurchase and reverse repurchase agreements, net of direct and indirect operational costs, will be accrued to the relevant Fund.

AGGREGATED CHARGES AND EXPENSES FOR THE US DOLLAR LIQUIDITY FUND

The US Dollar Liquidity Fund (the “Feeder Fund”) is investing in the Master Fund. At the level of the Master Fund, the fees, charges and expenses associated with such an investment will be limited to service provider fees, director’s remuneration, ongoing charges and expenses – no investment advisory fee will apply. In addition, no share dealing charges will be applicable at the Master Fund to investment made by the US Dollar Liquidity Fund.

The key investor information document issued for the Classes of Shares of the US Dollar Liquidity Fund also contain additional information on ongoing charges incurred by the US Dollar Liquidity Fund (aggregated with the charges incurred at the level of the Master Fund).

UNDERLYING FEES

As described in Section 1.5 “Risk Factors”, where a Fund invests into another collective investment scheme the Fund will bear a proportionate share of the fees and expenses of such collective investment scheme. These are in addition to the fees and expenses above but will be reported as part of the ongoing charges figure disclosed in the Annual Report and Key Investor Information Documents.

TRANSFER OF SHARES

The Management Company may, where it determines it is in the best interests of the Company and its Shareholders, charge a fee to any Shareholder who requests that their investment is re-registered into a different Shareholder account. Such fee will be payable to the Management Company to compensate it for the costs of processing such request, out of the Shareholder’s investment, such amount not to exceed €50 per transfer.

2.6 Publication of Net Asset Value

The Net Asset Value per Share of each Class within each Fund is made public at the registered office of the Management Company and is available at the offices of the Transfer Agent. The Management Company will arrange for the Net Asset Value per Share of each Class within each Fund to be published as required. Neither the Company nor the Management Company can accept any responsibility for any error or delay in publication or for inaccurate or non-publication of prices. Shareholders may view the Net Asset Value per Share on the Company's web-site (<http://www.morganstanleyinvestmentfunds.com>).

2.7 Net Asset Value Determination

The Net Asset Value per Share will be calculated in the following currencies:

| | US Dollar | Euro | Yen | Sterling | Currency in which the Shares are denomi- nated |
|---|--------------|------|-----|----------|---|
| The Net Asset Value per Share of each Class in each Fund will be calculated in | x | x | | | |
| Except for the following Funds and Share Classes: | | | | | |
| • Japanese Equity Fund | x | x | x | | |
| • US Dollar Liquidity Fund | x | | | | |
| • Global Buy and Maintain Fund | x | x | | x | |
| • Share Class Indicator A Shares of the Global Brands Fund | x | x | x | | |
| • Share Class Indicator Z Shares of the Global Brands Fund | x | x | | x | |
| • Share Class Indicator Z Shares of the Asian Property Fund | x | x | | x | |
| • Share Class Indicator N and Z Shares of the Emerging Markets Equity Fund | x | x | | x | |
| • Share Class Indicator Z shares of the US Growth Fund | x | x | | x | |
| • Share Class Indicator Z Shares of the Global Property Fund | x | x | | x | |
| Where Distributing Share Classes (Share Class Sub-Indicators "X" and "M") and Discretionary Distributing Share Classes (Share Class Sub-Indicators "R" and "RM") are issued by a Fund, other than a Liquidity Fund, the Net Asset Value per Share of the Class may also be calculated in: | x | x | | x | |
| Where Currency Hedged Share Classes (Share Class Sub-Indicators "H", "H1", "H2", "H3", and "O") are issued by a Fund, the Net Asset Value per Share of the Class will be calculated only in: | | | | | x |

In addition to the currency combinations detailed above, the Management Company reserve the right to publish the Net Asset Value per Share of a particular Class of a Fund in additional combinations not specified above and in additional currencies not detailed in the table. Any such currency Net Asset Value per Share published after the date of this Prospectus would be listed at www.morganstanleyinvestmentfunds.com and included in the next update of this Prospectus.

In addition to the above listed Shares, Class Z (GBP) in the European Equity Alpha Fund may be offered at the Management Company's discretion. The Net Asset Value per Share of these

Shares will be published in Sterling only – although the reference currency of the Fund will remain the Euro.

The Company determines the principles of the calculation of the price or net asset value of its Shares, which are implemented by the Management Company on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any Sales Charge). The Net Asset Value per Share is calculated at the valuation point following the Cut-Off Point that applications for Shares must be received in respect of a Dealing Day by the Transfer Agent to be processed on that Dealing Day.

The Funds are valued daily and the Net Asset Value per Share is calculated at the valuation point on each Dealing Day. The Net Asset Value per Share for all Funds will be determined on the basis of the last available prices at the valuation point from the markets on which the investments of the various Funds are principally traded. The last available price and valuation point for collective schemes in which the Funds invest may vary and may include prior dealing days of those collective investment schemes. The valuation point of the Funds is available upon written request.

Events may occur between the determination of an investment's last available price and the determination of a Fund's Net Asset Value per Share at the valuation point that may, in the opinion of the Directors, mean that the last available price does not truly reflect the fair market value of the investment. In such circumstances the price of such investment shall be adjusted in accordance with the procedures adopted from time to time by the Directors in their discretion.

To the extent that the Management Company considers that it is in the best interests of Shareholders, taking into account factors including the prevailing market conditions, the level of subscriptions and redemptions in a particular Fund and the size of the Fund, the Net Asset Value of a Fund may be adjusted to reflect the estimated dealing spreads, costs and charges to be incurred by the Fund in liquidating or purchasing investments to satisfy the net transactions for a particular Dealing Day. The adjustment shall not exceed 1% of the Net Asset Value of the relevant Fund on the relevant Dealing Day.

The Net Asset Value per Share is calculated at the valuation point on each Dealing Day in the Reference Currency of the relevant Fund and is then calculated as appropriate in US Dollars, Yen, Euro or Sterling using the last available rate of exchange prevailing in a recognised market at the valuation point.

The Net Asset Value per Share for Funds with investments with a known short term maturity date will be determined using an amortised cost method for those investments with a known short term maturity date. This involves valuing an investment at its cost

and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments.

While this method provides certainty in valuation, it may result in periods during which value, as determined by amortised cost, is higher or lower than the price the relevant Fund would receive if it sold the investment. The Directors will continually assess this method of valuation and recommend changes, where necessary, to ensure that the Funds' investments will be valued at their fair value as determined in good faith by the Directors. If the Directors believe that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Directors shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

For the avoidance of doubt, the Net Asset Value per Share of the US Dollar Liquidity Fund will be determined solely by using an amortised cost method. The Net Asset Value per Share of each Class of Shares of each Fund is determined by dividing the value of the assets of the Fund properly allocable to such Class of Shares less the value of the liabilities of the Fund properly allocable to such Class of Shares by the total number of Shares of such Class outstanding at any Dealing Day.

The Net Asset Value per Share of each Class of Shares of each Fund is determined in accordance with Article 11 of the Articles of Incorporation of the Company which, *inter alia*, sets out the following rules to be applied in determining such value:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) securities listed on a recognised stock exchange or dealt on any Other Regulated Market (as defined in Appendix A hereinafter) will be valued at their last available prices, or, in the event that there should be several such markets, on the basis of their last available prices on the main market for the relevant security. In the event that the last available price does not truly reflect the fair market value of the relevant securities, the value of such securities will be based on the reasonably foreseeable sales price determined prudently and in good faith pursuant to procedures established by the Directors;
- c) securities not listed or traded on a stock exchange or not dealt on any Other Regulated Market will be valued on the basis of the reasonably foreseeable sales price determined prudently and

in good faith pursuant to procedures established by the Directors;

- d) the liquidating value of futures, or options contracts not traded on exchanges or on other organised markets shall mean their net liquidating value determined, pursuant to the policies established by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures or options contracts traded on exchanges or on other organised markets shall be based upon the last available prices of these contracts on exchanges and organised markets on which the particular futures or options contracts are traded by the Company; provided that if a futures or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;
- e) all other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Directors;
- f) interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Directors. The value of the credit default swaps shall be determined by applying a recognised and transparent valuation method on a regular basis and by reference to the applicable debt instrument.

The relevant Funds shall, in principle, keep in their respective portfolios the investments determined by the amortisation cost method until their respective maturity dates or sell dates. Any assets held in a particular Fund not expressed in the Reference Currency will be translated into the Reference Currency at the last available rate of exchange prevailing in a recognised market at the valuation point.

The net asset value of the Company is at any time equal to the total of the Net Asset Values of the various Funds, converted, where necessary, into US Dollars at the last available rate of exchange prevailing in a recognised market at the relevant valuation point.

TEMPORARY SUSPENSION OF CALCULATION OF NET ASSET VALUE

Pursuant to Article 12 of the Articles of Incorporation, the Company may suspend the calculation of the Net Asset Value of one or more Funds and the issue, redemption and conversion of Shares:

- a) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments

of the Company attributable to such Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such Fund quoted thereon;

- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Directors as a result of which disposal or valuation of assets owned by the Company attributable to such Fund would be impracticable;
- c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of such Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Fund;
- d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- e) when for any other reason the prices of any investments owned by the Company attributable to such Fund cannot promptly or accurately be ascertained;
- f) any period when the net asset value of any subsidiary of the Company may not be determined accurately;
- g) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding-up of the Company;
- h) following the suspension of the calculation of the Net Asset Value per Share, the issue, redemption and/or conversion of Shares, at the level of a master fund in which a Fund invests in its quality of feeder fund of such master fund.

The suspension of calculation of the Net Asset Value of any Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Fund.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share of any relevant Class.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Management Company. Notice will likewise be given to any applicant or Shareholder as the case may be applying for purchase, conversion or redemption of Shares in the Fund(s) concerned.

2.8 Conflicts of Interest and Soft Commission

Subject to policies established by the Management Company, the Investment Advisers are primarily responsible for the execution of each Fund's investment transactions and the allocation of the brokerage commissions. Neither the Company nor the Management Company has any obligation to deal with any broker or group of brokers in execution of transactions in portfolio securities. However, the Management Company contemplates that a substantial amount of its portfolio transactions will be conducted through the Investment Advisers, the Distributor, the Sub-Advisers, or any of their affiliates or through certain of the distributors appointed by the Distributor. Such transactions may be subject to a commission or dealer mark-up which may not be the lowest commission or spread available.

Brokers who provide supplemental investment research and research related services to the Investment Advisers may receive orders for transactions by the Management Company. Information so received will be in addition to and not in lieu of the services required to be performed by the Investment Advisers under the Investment Advisory Agreements, and the expenses of the Investment Advisers will not necessarily be reduced as a result of the receipt of such supplemental information. Although each and every service received may not be used for the benefit of all of the Funds, the Investment Advisers believe that those services are, in aggregate, of significant assistance in fulfilling its investment responsibilities to the Company.

Securities held by a Fund also may be held by another Fund or by other funds or investment advisory clients for which the Investment Adviser or its affiliates act as an adviser. Securities may be held by, or be an appropriate investment for, a Fund as well as other clients of the Investment Advisers or their affiliates. Similarly, a Fund may hold units of other investment companies which are also managed by the same Investment Adviser or its affiliates as the case may be.

Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If purchases or sales of securities for a Fund or other clients for which the relevant Investment Adviser acts as investment adviser arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the respective funds and clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of Fund securities for one or more clients have an adverse effect on other clients.

Because the Investment Advisers or its affiliates may manage assets for other investment companies, pooled investment vehicles, and/or other accounts (including institutional clients, pension plans and certain high net worth individuals), there may be an incentive to favour one of their clients over another resulting in potential conflicts of interest. For instance, the relevant Investment Adviser or its affiliates may receive fees from certain accounts that are higher than the fee it receives for a particular Fund, or it may receive a performance-based fee on certain accounts. In those instances, the

portfolio manager(s) may have an incentive to favour the higher and/or performance-based fee accounts over a particular Fund. In addition, a potential conflict of interest could exist to the extent such Investment Adviser or its affiliates has proprietary investments in certain accounts, where portfolio managers have personal investments in certain accounts or when certain accounts are investment options in the Investment Adviser's and/or its affiliates employee benefits and/or deferred compensation plans. The relevant portfolio manager may have an incentive to favour these accounts over others. If the Investment Advisers and/or one of their affiliates manages accounts that engage in short sales of securities of the type in which a Fund invests, the Investment Advisers and/or their affiliates could be seen as harming the performance of the relevant Fund for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall.

The Management Company as well as the Investment Advisers and/or their affiliates have adopted trade allocation and other policies and procedures that it believes are reasonably designed to address these and other potential conflicts of interest.

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS Directive.

In relation to any efficient portfolio management techniques used by the Funds, securities lending, repurchase and reverse repurchase transactions may be entered into on normal commercial terms with entities which are affiliates of the Investment Adviser. In particular, the Funds have entered into securities lending arrangements with J.P. Morgan Chase Bank NA (London Branch) ("**JPM**"), a related party of the Depositary, to participate in the securities lending programme operated by JPM, under normal commercial terms. From time to time, affiliates of the Investment Adviser (including but not limited to Morgan Stanley & Co. International PLC) may be named as approved borrowers to which JPM could lend securities on behalf of the Funds under the securities lending programme.

The above is not necessarily a comprehensive list of all potential conflicts of interest.

2.9 Dividend Policy

The Company offers Accumulating Share Classes, Distributing Share Classes and Discretionary Distributing Share Classes.

ACCUMULATING SHARE CLASSES

Income and capital gains arising in each Fund in relation to Accumulating Share Classes will be reinvested in such Fund. The value of the Shares of each such Class will reflect the capitalisation of income and gains. The Directors currently intend to propose to the Annual General Meeting the reinvestment of the net results of the year for all such Classes of Shares. However, should payment of a dividend in respect of any such Classes of Shares be considered to be appropriate, the Directors will propose to the general meeting of Shareholders that a dividend be declared out of the net investment income attributable to such Class of Shares and available for distribution and/or realized capital gains after deduction of realized capital losses and unrealized capital gains after deduction of unrealized capital losses.

DISTRIBUTING SHARE CLASSES (SHARE CLASS SUB-INDICATORS "X" AND "M") AND DISCRETIONARY DISTRIBUTING SHARE CLASSES (SHARE CLASS SUB-INDICATORS "R" AND "RM").

Approach to declaring dividends

Funds other than US Dollar Liquidity Fund – Distributing Share Classes (Share Class Sub-Indicators "X" and "M")

For the Distributing Share Classes of the Bond Funds, Equity Funds, Asset Allocation Funds and Alternative Investment Funds, the Company intends to declare dividends which will be equal to the net investment income attributable to such Classes (i.e. 100% of the net investment income). For the Global Mortgage Securities Fund, net investment income is considered to include net gains and losses from prepaid principal on mortgaged-backed and asset-backed securities for the purpose of the dividend policy. For the Global Balanced Income Fund, net investment income is considered to include net premium arising as a result of writing options for the purpose of the dividend policy.

US Dollar Liquidity Fund – Distributing Share Classes (Share Class Sub-Indicator "X")

For the Distributing Share Classes of the US Dollar Liquidity Fund, the Company intends to declare dividends which will be equal to the net investment income attributable to such Classes and realized capital gains, reduced by realized losses, if any. In the case of the US Dollar Liquidity Fund, such dividends, if any, will be declared on each Dealing Day.

Funds other than US Dollar Liquidity Fund – Discretionary Distributing Share Classes (Share Class Sub-Indicators "R" and "RM")

For the Discretionary Distributing Share Classes of the Bond Funds, Equity Funds, Asset Allocation Funds and Alternative Investment Funds, the Company intends to declare dividends which will be set at the discretion of the Directors. The Discretionary Distributing

Share Class may pay distributions from capital or may charge all or part of the Fund's fees and expenses to the capital of the Fund. Dividends paid out of capital amount to a return or withdrawal of part of a Shareholder's original investment or from any capital gains attributable to that original investment. Such dividends may result in an immediate decrease of the Net Asset Value per Share. Where part or all of the fees and expenses of a Share Class are charged to the capital of that Share Class the result will be a reduction of the capital that the Share Class has available for investment in the future and capital may be eroded. Further details on the Discretionary Distributing Share Classes will be included in the relevant key investor information document of the applicable Fund.

Frequency of Dividends

Equity Funds and Alternative Investment Funds – semi-annual dividend (Share Class Sub-Indicators "X" and "R")

Both the Distributing Share Classes (Share Class Sub-Indicator "X") and Discretionary Distributing Share Classes (Share Class Sub-Indicator "R") aim to declare semi-annual dividends for Equity Funds (other than the Global Brands Equity Income Fund) and Alternative Investment Funds. Such dividends, if any, will be accrued on the last Dealing Day of June and December and declared on the next Dealing Day. The dividend declaration will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on the first Dealing Day of July and January.

Bond Funds, Asset Allocation Funds and the Global Brands Equity Income Fund – quarterly dividend (Share Class Sub-Indicators "X" and "R")

Both the Distributing Share Classes (Share Class Sub-Indicator "X") and Discretionary Distributing Share Classes (Share Class Sub-Indicator "R") aim to declare quarterly dividends for Bond Funds, Asset Allocation Funds and the Global Brands Equity Income Fund. Such dividends, if any, will be accrued on the last Dealing Day of March, June, September and December and declared on the next Dealing Day. The dividend declaration, where issued, will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on the first Dealing Day of January, April, July and October as applicable.

US Dollar Liquidity Fund – daily dividend (Share Class Sub-Indicator "X")

The Distributing Share Classes of the US Dollar Liquidity Fund aim to declare dividends on each Dealing Day. The dividend declaration in the case of the Distributing Share Classes of the US Dollar Liquidity Fund will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on each Dealing Day.

Monthly Distributing Share Class (Share Class Sub-Indicators “M” and “RM”)

Both the Distributing Share Classes (Share Class Sub-Indicator “M”) and Discretionary Distributing Share Classes (“Share Class Sub-Indicator “RM”) aim to declare monthly dividends. Such dividends, if any, will be accrued on the last Dealing Day of the month and declared on the next Dealing Day. The dividend declaration for these Distributing Share Classes and Discretionary Distributing Share Classes, where issued, will be made public at the registered office of the Company and made available at the offices of the Transfer Agent on the first Dealing Day of the following month as applicable.

DISCRETIONARY DISTRIBUTING SHARE CLASS EXAMPLES

In these examples, we assume the following for the period:

- 1) No change in NAV as a result of capital appreciation
- 2) Investment income over the period is equal to 2.50%
- 3) The total management and non-management expenses of the fund for this period are equal to 0.50% of NAV
- 4) Therefore net investment income is 2%

Example – covering a period of 90 days from January 1 to the first Dealing Day in April for a given Bond Fund where net investment income is greater than or equal to the declared dividend.

In this example, we assume the following for the period:

- 1) Declared dividend is 1.50% (less than net investment income)

| NAV on the first Dealing Day of the Period | NAV on Dealing Day prior to the declaration of the dividend | Declared Dividend as a Percentage of NAV | Declared Dividend | NAV on the first Dealing Day following the declaration of dividend |
|--|---|--|-------------------|--|
| €100.00 | €102.00 | 1.50% | €1.53 | €100.47 |

In this example, the dividend declared is equal to €1.53 and the NAV on the Dealing Day following the declaration of the dividend is equal to €100.47 ($€102.00 - (1.50\% \times 102.00) = €100.47$). In this scenario, the declared dividend was less than the net investment income over the period and there was no decrease in capital.

Example – covering a period of 90 days from January 1 to the first Dealing Day in April for a given Bond Fund where the declared dividend is greater than the net investment income.

In this example, we assume the following for the period:

- 1) Declared dividend is 3.00% (greater than net investment income)

| NAV on the first Dealing Day of the Period | NAV on Dealing Day prior to the declaration of the dividend | Declared Dividend as a Percentage of NAV | Declared Dividend | NAV on the first Dealing Day following the declaration of dividend |
|--|---|--|-------------------|--|
| €100.00 | €102.00 | 3.00% | €3.06 | €98.94 |

In this example, the dividend declared is equal to €3.06 and the NAV on the Dealing Day following the declaration of the dividend is equal to €98.94 ($€102.00 - (3.00\% \times 102.00)$). The declared dividend has resulted in a decrease in investor capital of €1.06.

Figures are for illustration purposes only and are not indicative of the actual return received by Shareholders.

Dividends will be distributed on the first Dealing Day of the following month in the case of the US Dollar Liquidity Fund and within three Business Days of the date such dividends are declared, in the case of the Equity Funds, Bond Funds, Asset Allocation Funds and Alternative Investment Funds.

Dividends will be automatically reinvested in additional Shares of the relevant Class free of any charge unless (i) the Shareholder has nominated on the Application Form to receive such dividends in cash and (ii) the value of the dividends to be distributed for that month, quarter or half year, as applicable, is in excess of US\$ 100.00, or the Euro or the Sterling equivalent of US\$ 100.00. Dividends are paid in the currency in which the Share is denominated, or, where appropriate for the Share, in Sterling, Euro, or US Dollar. For those Shareholders whose dividend accrual for that month, quarter or half year, as applicable, is less than US\$ 100.00, or the Euro or the Sterling equivalent of US\$ 100.00, the dividends will be automatically reinvested in additional Shares of the relevant Class free of any charge. The Directors may, following a Shareholder's request, at their discretion, decide to waive or vary the limit below which a dividend accrual is automatically reinvested.

The Dealing Day applicable for such automatic reinvestment will be the last Dealing Day of the relevant month in the case of the US Dollar Liquidity Fund, the first Dealing Day of January, April, July or October in the case of the Bond Funds and Asset Allocation Funds, and the first Dealing Day of January or July in the case of the Equity Funds and Alternative Investment Funds.

In the case of the Monthly Distributing Share Class (Share Class Sub-Indicator “M”), such automatic reinvestment will be the first Dealing Day of each month.

Income equalisation is operated in respect of all Distributing Share Classes of all Funds. For such Share Classes, equalisation ensures that the income per Share which is distributed in respect of a distribution period is not impacted by changes in the number of Shares in issue in that Share Class during the period. Equalisation is operated by the Administrator, who allocates a portion of the proceeds from sales and costs of redemption of Shares – equivalent on a per Share basis to the amount of undistributed net investment income on the date of the subscription or redemption – to undistributed income.

In the event that a dividend is paid in one or several Funds, such dividend will be paid to Shareholders by cheque mailed to their address as shown on the register of Shareholders, or by bank transfer. Dividend cheques not cashed within five years will be forfeited and will accrue for the benefit of the Class of the Fund out of which the dividend is payable.

2.10 Taxation

The statements on taxation set out below are by way of a general guide to potential investors and Shareholders only regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and do not constitute tax or legal advice and the investors should consult their own counsel and make their own enquiries, as to tax matters concerning their investment. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely. Neither the Company, the Management Company, the Subsidiary nor their advisors are liable for any loss which may arise as a result of current, or changes in, applicable tax laws, practice and their interpretation by any relevant authority.

Prospective Shareholders should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, purchase, holding, redemption, conversion and otherwise disposing of Shares in the country of their citizenship, residence, domicile or incorporation. Prospective Shareholders should note that the information contained in this Section of the Prospectus is a general guide only and does not discuss the local tax consequences that all prospective Shareholders may be subject to.

The conversion of Share Class Indicator B Shares to Share Class Indicator A Shares as described in Section 2.1 “Share Class Description” may give rise to a tax liability for Shareholders in certain jurisdictions. Shareholders should consult their tax adviser about their own position.

LUXEMBOURG TAXATION

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu*), as well as a temporary equalization tax (*impôt d'équilibrage budgétaire temporaire*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and to the temporary equalization tax. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

TAXATION OF THE COMPANY IN LUXEMBOURG

Under current law, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

SUBSCRIPTION TAX

As a rule the Company is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum computed on its Net Asset Value.

The rate is however reduced to 0.01% per annum for:

- undertakings whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions;
- undertakings whose sole object is the collective investment in deposits with credit institutions;
- individual compartments of undertakings for collective investments (“**UCI**”) with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Furthermore, exempt from the subscription tax are:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax provided for in Article 174 of the 2010 Law or in Article 68 of the amended law of 13 February 2007 on specialised investment funds;
- UCIs, as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency;
- UCIs, as well as individual compartments of umbrella funds, whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers’ initiative for the benefit of their employees and (ii) companies of one or more employers investing funds they hold, to provide retirement benefits to their employees;
- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
- exchange-traded funds as defined by Article 175 e) of the 2010 Law.

Provided the continuous compliance with the above mentioned conditions for a reduced subscription tax rate of 0.1% the Net Asset Value of Shares with Share Class Indicator N, S or Z is likely to benefit from such a reduced subscription tax rate. However, there can be no guarantee that the benefit of such reduced rate will be obtained or that, once obtained, it will continue to be available in the future.

Provided the continuous compliance with the above mentioned conditions for an exemption from subscription tax the Net Asset Value in respect of the portion of the US Dollar Liquidity Fund (the “Feeder Fund”) invested in the Master Fund, which is itself subject to a subscription tax of 0.01%, is likely to be exempt from subscription tax. For those Shares with Share Class Indicator Z the proportion of the US Dollar Liquidity Fund which is not invested in the Master Fund shall be subject to the subscription tax at a reduced rate of 0.01% under above described conditions. For all other Share Classes of the US Dollar Liquidity Fund the portion of the US Dollar Liquidity Fund not invested in the Master Fund will be subject to the regular subscription tax of 0.05%.

Subscription tax is calculated by reference to the net assets of the relevant Fund or Share Class at the end of each quarter. Subscription tax will be paid from the tax d’abonnement Specific Additional Cost described in section 2.5 “Charges and Expenses”. Any difference between the Specific Additional Costs collected and the tax payable will be paid by or credited to the Management Company.

OTHER TAXES

No stamp duty or other tax will be payable in Luxembourg in connection with the issue of Shares of the Company. A fixed registration duty of Euro 75 will be levied upon amendments of the articles of incorporation of the Company.

The Company is exempt from net wealth tax.

Under current law in Luxembourg, no Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, is not refundable in Luxembourg. It is not certain whether the Company itself would be able to benefit from Luxembourg’s double tax treaties network. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Company is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly apply to the Company.

The Company is considered in Luxembourg as a taxable person for value added tax (“VAT”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT. The Company is registered for VAT in Luxembourg and is required to self-assess Luxembourg VAT on taxable services purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its Shareholders, to the extent that such payments are linked to their subscription to the Shares and do not constitute the consideration received for any taxable services supplied.

WITHHOLDING TAX

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the Company to its Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

FOREIGN ACCOUNT TAX COMPLIANCE (“FATCA”)

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the 2010 Law, the Company will be treated as a Foreign Financial Institution (within the meaning of FATCA) for FATCA purposes.

On 28 March 2014, Luxembourg has entered into a Model 1 Intergovernmental Agreement with the U.S. which means that the Company must comply with the requirements of the Luxembourg IGA. This includes the obligation for the Company to regularly assess the status of its Shareholders. To this end, the Company will need to obtain and verify information on all of its Shareholders. Upon request of the Company, each Shareholder shall agree to provide certain information, including, in case of a Non-Financial Foreign Entity (within the meaning of FATCA), the direct or indirect owners above a certain threshold of ownership of such shareholders, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Company within thirty days any information like for instance a new mailing address or a new residency address that would affect its status.

The Company will be required, in certain circumstances, to disclose the name, address and taxpayer identification number (if available) of the shareholder as well as information like account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg authorities. The Luxembourg authorities will in turn share the information with the U.S. authorities. A failure for the Company to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of U.S. source income and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes imposed on the Company attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime. Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

AUTOMATIC EXCHANGE OF INFORMATION

According to the Luxembourg laws dated 21 June 2005 implementing the EU Savings Directive, as amended by the Luxembourg law of 25 November 2014 concerning the procedure applicable to the exchange of tax information upon request, (together referred to as the "**Laws**"), and several agreements concluded between Luxembourg and certain associated or dependent territories of the EU (i.e. Aruba, British Virgin Islands, Curaçao, Guernsey, Isle of Man, Jersey, Montserrat and Sint Maarten – collectively the "**Associated Territories**") a Luxembourg paying agent (within the meaning of the EU Savings Directive) is required to provide the Luxembourg tax administration with information on payments of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity within the meaning of the EU Savings Directive (i.e. entities (a) without legal personality (save for (1) a Finnish *avoin yhtiö* and *kommandiittiyhtiö* / *öppet bolag* and *kommanditbolag* and (2) a Swedish *handelsbolag* and *kommanditbolag*) and (b) whose profits are not taxed under the general arrangements for the business taxation and (c) that are not, or have not opted to be considered as UCITS recognized in accordance with the UCITS Directive) resident or established in an Associated Territory or an EU Member State other than Luxembourg. The Luxembourg tax administration then communicates such information to the competent authority of such Associated Territory or EU Member State.

The EU Savings Directive has been repealed by Council Directive of 2015/2060 of 10 November 2015 with effect from 1 January 2016. However, for a transitional period, the EU Savings Directive shall continue to apply and notably regarding reporting obligations and scope of information to be provided by the Luxembourg paying agent (within the meaning of the EU Savings Directive) and regarding obligations of the Member States in respect of the issuance of the tax residence certificate and elimination of double taxation. As a consequence of the repeal of the EU Savings Directive, the Laws will no longer apply, save for the provisions related to the above mentioned obligations and within the transitional period foreseen by the said Council Directive.

On 9 December 2014, the Council of the European Union adopted Directive 2014/107/EU amending Directive 2011/16/EU

of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"), including income categories contained in the EU Savings Directive. The adoption of the DAC Directive implements the Common Reporting Standard ("**CRS**") and generalises the automatic exchange of information within the European Union of 1 January 2016.

Thus, the measures of cooperation provided by the EU Savings Directive are to be replaced by those in the DAC Directive which is also to prevail in cases of overlap of scope. As Austria has been allowed to start applying the DAC Directive up to one year later than other Member States, special transitional arrangements taking account of this derogation apply to Austria.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016.

The Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters that implements the DAC Directive and the Multilateral Agreement in Luxembourg has been published in the official journal on 24 December 2015 and is effective as from 1 January 2016.

Shareholders should get information about, and where appropriate take advice on, the impact of the changes to the EU Savings Directive, the implementation of the DAC Directive and the Multilateral Agreement in Luxembourg and in their country of residence on their investment.

TAXATION OF SHAREHOLDERS IN LUXEMBOURG

Under current legislation Shareholders are generally not subject to any capital gains or income tax in Luxembourg, except Shareholders who are resident in Luxembourg for tax purposes or non-resident Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable.

LUXEMBOURG RESIDENT INDIVIDUALS

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon sale, disposal or redemption of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to

income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is considered to be a substantial participation where a resident individual Shareholder holds or has held, either alone or together with his spouse/partner and/or his minor children, either directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period).

Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Shares.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

LUXEMBOURG RESIDENT COMPANIES

A Luxembourg resident company (*société de capitaux*) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

LUXEMBOURG RESIDENTS BENEFITING FROM A SPECIAL TAX REGIME

Shareholders who are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the 2010 Law, (ii) specialized investment funds subject to the amended law of 13 February 2007 and (iii) family wealth management companies governed by the amended law of 11 May 2007, are income tax exempt entities in Luxembourg, and profits derived from the Shares are thus not subject to Luxembourg income tax.

NON-LUXEMBOURG RESIDENTS

A non-resident Shareholder, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident Shareholder who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

NET WEALTH TAX

A Luxembourg resident, as well as a non-resident Shareholder who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the 2010 Law, (iii) a securitization company governed by the amended law of 22 March 2004 on securitization, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007 or (vi) a family wealth management company governed by the amended law of 11 May 2007.

OTHER TAXES

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes at the time of his death.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

The information set forth above is based on present law and administrative practice and may be subject to modification.

BELGIAN TAXATION

The Company is subject to an annual tax on Funds registered with the Belgian Financial Services and Markets Authority (the

“FSMA”). The annual tax is due on the total net asset value of the Shares held in Belgium as at 31 December of the preceding year. Shares are considered held in Belgium if they are acquired through the intervention of a Belgian financial intermediary, unless to the extent the Belgian financial intermediary provides evidence that the Shares have been placed with non-residents of Belgium. The tax is payable at a rate of 0.0925% per annum. The Company will charge this tax to the relevant Fund, however it is not possible to specifically allocate this expense to Belgian Shareholders, so the tax is borne by all Shareholders in the relevant Fund. It is not expected that the impact will exceed 0.01% per annum of the relevant Fund.

TAXATION OF THE FUNDS AS A RESULT FROM INVESTMENTS IN THE PRC

By investing in China A-Shares, the Funds may be subject to taxes imposed by the PRC.

a. Corporate Income Tax (“CIT”)

Under general PRC tax law, if the Fund is considered a PRC tax resident, it will be subject to PRC CIT at 25% on its worldwide taxable income. If the Fund is considered a non-PRC resident but has a permanent establishment (“PE”) in the PRC, the profits attributable to that PE would be subject to PRC CIT at 25%. If the Fund is a non-PRC resident without PE in the PRC, the income derived by it from the investment in China A-Shares would in general be subject to 10% PRC CIT withholding in the PRC, unless exempt or reduced under specific tax circulars or relevant tax treaty.

In respect of equity interest investments such as China A-Shares, the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission have jointly promulgated the *Circular on Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets* (Caishui [2014] No.81) (the “**Circular 81**”) dated 31 October 2014 to clarify the relevant income tax liabilities.

Pursuant to the Circular 81, taking effect on 17 November 2014, in respect of trading through the Stock Connect:

- income tax shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A-Shares listed on the Shanghai Stock Exchange; and
- Hong Kong market investors are required to pay tax on dividend and bonus of China A-Shares at a standard rate of 10%, which will be withheld and paid to the relevant PRC tax authority by the respective listed companies (before HKSCC is able to provide details such as investor identities and holding periods to CSDCC, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). Where there is applicable tax treaty prescribing for a lower tax rate, the investor may apply for refund from the competent tax authority.

It is the intention of the Manager that the affairs of the Fund will be such that it is not PRC tax resident enterprises and have no PE in the PRC for PRC CIT purposes, although this cannot be guaranteed.

b. Value Added Tax (“VAT”)

The Circular 81 has provided that, in respect of trading through the Stock Connect, business tax (“BT”) shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the sale and purchase of China A-Shares listed on the SSE.

With effect from 1 May 2016, all industries formerly subject to BT will transition to VAT pursuant to the *Circular on Overall Replacement of Business Tax by Value-added Tax on A Pilot Basis* (Caishui [2016] No. 36) jointly issued by China’s Ministry of Finance and State Administration of Taxation on 24 March 2016 (the “**Circular 36**”). The Circular 36 provides for a 6% VAT rate for financial services (including trading financial instruments), replacing the 5% tax rate formerly applied under the Business Tax regime. However, the provisional exemption from BT provided under the Circular 81 has been extended to VAT under the Circular 36 for trading of securities under Stock Connect by Hong Kong market investors (including corporate and individual investors).

c. Stamp duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC’s Provisional Rules on Stamp Duty.

Under the Circular 81, Hong Kong market investors trading through Stock Connect are required to pay stamp duty arising from the sale and purchase of China A-Shares and the transfer of China A-Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations (currently, 0.1% on the transferor).

TAXATION OF THE SUBSIDIARY

The taxation of income and capital gains arising to the Subsidiary in respect of its investments in Indian securities is subject to the fiscal law and practice of Mauritius and India, as outlined further below.

a. Mauritian Tax Considerations

The summary below is based on law and practice as at the date of this document and may be subject to change.

The Subsidiary has received a Tax Residence Certificate (“TRC”) issued by the Mauritius Revenue Authority (“MRA”) on 14 September 2015 which entitles it to some reliefs pursuant to the treaty.

Capital gains are exempt from Mauritian tax and any dividends paid by the Subsidiary to the Company are exempt in Mauritius from any withholding tax.

The Subsidiary is liable to pay income tax on its net income at a rate of 15%. Its net income is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritian tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%.

The TRC is renewed on an annual basis and it is intended that the Subsidiary will apply for renewal on expiry with the local authorities.

b. Indian Tax Considerations

The summary below is based on law and practice as at the date of this document and may be subject to change. This summary is not intended to constitute a complete analysis of the tax consequences under Indian law for the Subsidiary of the acquisition, ownership and sale of investments in Indian securities. Shareholders are advised to consult their own tax advisors with respect to the taxation consequences of the ownership or disposition of Shares.

Indian Income Tax

Indian income tax is imposed by reference to the provisions of the Indian Income Tax Act, which is amended every year by the Finance Act for that year.

The basis of the charge of Indian income tax depends upon the residential status of the taxpayer during a tax year and the nature of the income earned. The Indian tax year runs from 1 April in any year until 31 March in the following year. A company is a resident of India for the purposes of the Indian Income Tax Act if it is incorporated in India, or the control and the management of its affairs is situated wholly in India. It is intended that the Subsidiary will be treated as a non-resident for the purposes of the Indian Income Tax Act.

A company that is treated as a non-resident for Indian income tax purposes is generally subject to Indian income tax in accordance with the Indian Income Tax Act only on that company's Indian-sourced income or income received in India. Indian-sourced income or income received in India will include dividends declared by Indian companies or mutual funds, interest received in respect of debt instruments issued by Indian companies and capital gains arising on the transfer of Indian securities. The Indian income tax treatment of Indian-sourced dividends, interest and capital gains is described in more detail below. The tax rates mentioned below are as proposed in the Finance Act 2015 and applicable with effect from 1 April 2015.

- i. Under current law, a dividend declared by an Indian company or mutual fund is not taxable in the hands of a corporate shareholder or unitholder and may be paid to a corporate shareholder or unitholder without withholding tax. The Indian company paying the dividend is subject to dividend distribution tax ("DDT"). The DDT should be applied to the amount of

dividend distributed to shareholders by grossing up the said amount by the DDT rate of tax, thus the effective rate of DDT is 20.358% (including applicable surcharge and education cess). Further, mutual funds, other than equity oriented mutual funds distributing dividends to a corporate unit holder are subject to dividend distribution tax at the rate of 34.608 percent (including applicable surcharge and education cess).

- ii. Indian-sourced interest income earned by a non-resident that is a corporate foreign institutional investor is taxable at a rate of 21.63% irrespective of the denomination of the debt. The Subsidiary should be a foreign institutional investor/sub-account of a foreign institutional investor for these purposes.
- iii. Gains arising on the sale of securities (including shares) of Indian companies held by a non-resident as capital assets would normally be subject to Indian income tax. The Indian income tax treatment of such gains (and the rate of tax applied to those gains) will vary depending on the nature of the securities, the period for which the securities were held by the non-resident and whether securities transaction tax has not been paid on the transaction (please refer to the disclosure re securities transaction tax in paragraph (d) below). For example, gains arising from transactions in listed equity shares that have been held by a non-resident that is a corporate foreign institutional investor for a period of 12 months or less are subject to tax at 16.2225%. Where listed equity shares are held by a non-resident that is a corporate foreign institutional investor for a period of more than 12 months, any gains arising on the sale of those shares are exempt from tax. Where unlisted equity shares/ units of a non-equity oriented mutual fund are held by a non-resident that is a corporate foreign institutional investor for a period of 36 months or less, any gains arising on the sale of those shares/ units are subject to tax at 32.445%. Where unlisted equity shares are held by a non-resident that is a corporate foreign institutional investor for a period of more than 36 months, any gains arising on the sale of those shares would be subject to tax at 10.815% (in case of public limited companies) and 21.63% (in case of private limited companies).

Indian income tax imposed by the Indian Income Tax Act on a non-resident may be reduced or eliminated by the provisions of an applicable double tax treaty. The benefit of the applicable double tax treaty cannot be accessed unless a tax residency certificate ("TRC") is obtained from the Government of the country of which the non-resident is a resident for tax purposes and the non-resident provides documents and information as may be prescribed under the Indian Income Tax Act. In this regard, the prescribed information has now been notified by the authorities. No additional information may need to be provided if it is already contained in the TRC.

A non-resident is required to discharge its tax liabilities for the financial year prior to remittance of the proceeds out of India or before the specified advance tax due dates, whichever is earlier.

c. India-Mauritius Treaty

Indian income tax imposed by the Indian Income Tax Act on Indian-sourced income earned by a Mauritius tax resident may be reduced or eliminated by the double tax treaty concluded between India and Mauritius on 24 August 1982 (the “India-Mauritius Treaty”).

The Central Board of Direct Taxes in India has issued a circular (“Circular 789”) confirming that, if the MRA issues a certificate of tax residence in respect of a person, that certificate constitutes sufficient prima facie evidence for according to that person the benefits available to a Mauritius resident under the provisions of the India-Mauritius Treaty. The Supreme Court of India has declared Circular 789 to be valid and efficacious and, as at the date of this document, the Circular is still valid and in force. The press release issued on 1 March 2013, mentioned above, also stated that Circular No 789 continues to be in force, pending ongoing discussions between India and Mauritius.

As noted above (see “Mauritian Tax Considerations”), the TRC must be renewed annually. A TRC will be issued by the MRA to the Subsidiary each year in order that the Subsidiary can continue to be treated for Indian income tax purposes as entitled to the benefits of the India-Mauritius Treaty. It is intended that the Subsidiary will apply to the MRA through the Financial Services Commission (“FSC”) for the renewal of the TRC each year before the expiry date thereof. The application will be processed subject to the Subsidiary being in good standing with the FSC. The latest TRC of the Subsidiary is dated 14 September 2015 and is valid for the period from 14 September 2015 to 13 September 2016. Further, the TRC contains the aforesaid prescribed information.

On the basis that the Subsidiary continues to hold a valid certificate of tax residence issued by the MRA containing all the requisite particulars for the relevant financial year (and so would be entitled to the benefits of the India-Mauritius Treaty) and has no permanent establishment in India:

- i. Dividend income earned by the Subsidiary from investments in equity shares of the Indian companies will be exempt from tax in the hands of the Subsidiary in accordance with the Indian Income Tax Act.
- ii. Indian-sourced interest income earned by the Subsidiary will be subject to Indian income tax in accordance with the provisions of the Indian Income Tax Act as discussed in paragraph b (ii) above.
- iii. Any capital gains earned by the Subsidiary on disposal of Indian securities will not be liable to tax in India, pursuant to the provisions of the India-Mauritius Treaty.
- iv. Any “business income” (not being in the nature of dividends, interest or royalties) earned by the Subsidiary will only be subject to Indian income tax to the extent that that business

income is attributable to a permanent establishment of the Subsidiary in India. Business income attributable to such a permanent establishment will be taxed in India at the rate of 43.26 percent. As it is intended that the Subsidiary will not have a permanent establishment in India, any such business income should not be subject to tax in India.

The Indian and Mauritian authorities agreed a protocol to the India-Mauritius Treaty, on 10 May 2016, which removes the capital gains tax exemption for Mauritian residents disposing of Indian securities purchased on or after 1 April 2017. There is a transitional period from 1 April 2017 to 31 March 2019 during which the tax rate will be limited to 50% of the Indian domestic rate. There is, however, a limitation of benefits provision that requires Mauritian entities to meet certain local substance conditions in order to access treaty benefits (i.e. local office and staff). The Subsidiary is not expected to qualify for treaty benefits on this basis as it has no local office or staff.

d. Securities Transaction Tax

All transactions entered into on a recognised stock exchange in India are subject to a securities transaction tax levied on the transaction value at the applicable rates.

Where a purchase or sale of equity shares or units of an equity oriented mutual fund is settled by way of actual delivery or transfer of the relevant shares or units, securities transaction tax is levied at the rate of 0.1% of the consideration given for the sale and is payable by both the buyer and seller of the shares or units. Delivery based purchase of units of equity oriented mutual funds on a recognised stock exchange will not be subject to securities transaction tax with effect from 1 June 2013, whereas delivery based sale of units of equity oriented mutual funds on a recognised stock exchange will be subject to securities transaction tax at 0.001% with effect from 1 June 2013. Where a sale or purchase of shares or units of an equity oriented mutual fund is not settled by way of actual delivery or transfer, securities transaction tax is levied at the rate of 0.025% of the consideration given for the sale and is payable by the seller of the relevant shares or units. Sellers of derivatives being options are subject to securities transaction tax at the rate of 0.017% on the price at which future is traded or on the option premium. Further, Sellers of derivatives being futures will be subject to securities transaction tax at the rate of 0.01% on the price at which the future is traded with effect from 1 June 2013. Further, where the options are exercised, the purchasers of options are subject to securities transaction tax at the rate of 0.125% on the settlement price. Redemptions of units in an open ended equity oriented mutual fund are subject to securities transaction tax at the rate of 0.001% of the redemption proceeds.

Further, in case of sale of unlisted equity shares on or after 1 July 2012 under an offer for sale in an initial public offer, where such shares are subsequently listed on a recognised stock exchange, securities transaction tax at the rate of 0.20 percent of the consideration would be payable by the seller.

Securities transaction tax is not applicable to transactions in debt securities, to primary issuances of equity shares by an Indian company or to transactions that are not undertaken on a recognised Indian stock exchange (except redemptions of units of equity oriented funds and the sale of unlisted securities under an offer for sale in an initial public offer).

e. General Anti-Avoidance Rule (GAAR)

The Finance Act 2012 introduced the General Anti-avoidance Rules (GAAR) with effect from 1 April 2013. An expert committee constituted by the Prime Minister's Office published its recommendations and observations on the GAAR provisions on 1 September 2012. Along with other suggestions, the committee recommended the deferral of the implementation of GAAR by three years, i.e. to the financial year 2015-16. The majority of the recommendations are reflected in the Finance Act, 2013. As per the amended GAAR provisions, only arrangements which have the main purpose (as opposed to one of the main purposes) of obtaining a tax benefit would be covered by GAAR. Once an arrangement is held to be an impermissible avoidance arrangement, then the tax authorities can disregard, combine or ignore a step in the arrangement, deny tax treaty benefits, etc. Further, the applicability of the GAAR provisions has been deferred to apply prospectively to investment made on or after 1 April 2017.

f. Indirect Transfer

The Finance Act 2012 had introduced provisions to tax income accruing or arising directly or indirectly "through" the transfer of a capital asset situated in India. The expression "through" is clarified to mean "by means of", "in consequence of" or "by reason of". Further, it is clarified that any share or interest in a company or entity registered / incorporated outside India shall be deemed to have been situated in India if the share or interest derives, "directly or indirectly", its value substantially from the assets located in India. Also, the term "property" is clarified to include any rights in or in relation to an Indian company, including rights of management or control or such other rights. The ambit of 'transfer' in such cases is widened to include disposition of share or interest of company registered / incorporated outside India including creating any interest in such company.

The following amendments have been made to the indirect transfer provisions in the Finance Act 2015:

- The share or interest shall be deemed to derive its value substantially from assets (tangible or intangible) located in

India, if on a specified date⁷, the value of Indian assets⁸: Exceeds INR 100 million; and Represents at least 50% of the value of all the assets owned by the company or entity.

- Income shall not accrue or arise to a non-resident in case of transfer of any share or interest in a foreign entity which directly owns the assets situated in India (direct holding company), if the non-resident along with its associated enterprises at any time in 12 months preceding the date of transfer:
 - neither holds the right of management or control in the direct holding company;
 - nor holds voting power/ share capital/ interest exceeding 5% of the total voting power/ total share capital/ total interest of the direct holding company.
- Income shall not accrue or arise to a non-resident in case of transfer of any share or interest in a foreign entity which indirectly owns the assets situated in India (indirect holding company), if the non-resident along with its associated enterprises at any time in 12 months preceding the date of transfer:
 - neither holds the right of management or control in the indirect holding company;
 - nor holds voting power/ share capital/ interest in the indirect holding company which would entitle it to exercise control or management in the direct holding company or entitle it to voting power/ share capital/ interest in the direct holding company exceeding 5% of the total voting power/ total share capital/ total interest of the direct holding company.
- The taxation of gains arising on transfer of a share or interest deriving, directly or indirectly, its value substantially from assets located in India will be on proportional basis and shall be computed in a prescribed manner.

Additionally, as per the Finance Act 2015 the following transfers of a capital asset (subject to certain conditions) shall not be regarded as transfer for the purpose of charging capital gains tax:

- In a scheme of amalgamation, transfer of a capital asset, being a share of a foreign company which derives, directly or indirectly, its value substantially from the shares of an Indian company, held by the amalgamating foreign company to the amalgamated foreign company.
- In a scheme of demerger, transfer of a capital asset, being a share of a foreign company which derives, directly or indirectly, its value substantially from the shares of an Indian company, held

⁷ Specified date shall mean –

- i. date on which the accounting period (i.e. period of 12 months) of the company or entity ends, preceding the date of transfer; or
- ii. date of transfer, if the book value of the assets of the company or entity on the date of transfer exceeds the book value of the assets as on the date referred to in (i) above, by 15%.

⁸ Value of the asset shall mean its fair market value, to be determined in a prescribed manner, without reduction of liabilities in respect thereof.

by the demerged foreign company to the resulting foreign company.

In view of the above, where any transfer of share or interest in the Subsidiary, the same could be subject to tax in India. The taxability of such income or gains, if any, deemed to be taxable in India, may be subject to relief under an Indian Tax Treaty as available.

So long as the shares of the Subsidiary do not derive its value substantially from assets located in India or fall within the exceptions as carved out, any transfer in respect shares held by the investors in the Subsidiary may not be subject to India tax implications.

In case such transfer is taxable under the Indian Income Tax Act, the rate at which the aforesaid offshore transfers would be taxable could be either as provided in the Indian Income Tax Act or under the respective Tax Treaty, as may be applicable.

2.11 Pooling

For the purpose of effective management, and subject to the provisions of the Articles of Incorporation of the Company and to applicable laws and regulations, the Directors may invest and manage all or any part of the portfolio of assets established for two or more Funds (for the purposes hereof “Participating Funds”) on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Directors may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Class concerned.

The Share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Directors shall, in their discretion, determine the initial value of notional units (which shall be expressed in such currency as the Directors consider appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the net asset value of the asset pool by the number of notional units subsisting.

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

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

Within any pooling arrangement, the Depositary shall ensure that at all times it is able to identify the assets which are owned by each Participating Fund.

Section 3

3.1 General Information

THE SHARES

The Shares of any Fund, within a given Class, are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person). Shareholders may convert all or part of their Shares of one Fund into other Class of Shares of that Fund or into the same Class of Shares, or other Classes of Shares of other Funds, provided that the Shareholder meets the eligibility criteria for the Class of Shares into which they are converting, as detailed in Section 2.1. Upon issue, the Shares are entitled to participate equally in the profits and dividends of the Fund attributable to the relevant Class of Shares in which they have been issued as well as in the liquidation proceeds of such Fund.

The Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its net asset value, is entitled to one vote at all general meetings of Shareholders. The Shares are issued without par value and must be fully paid.

LUXEMBOURG STOCK EXCHANGE LISTING

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

ISIN CODES

ISIN Codes for the Company's Share classes are available on www.morganstanleyinvestmentfunds.com.

EUROCLEAR AND CLEARSTREAM

The following Classes of Shares of the Company's Funds, with the exception of the US Dollar Liquidity Fund, may be traded via Euroclear or via Clearstream:

| Share Class Indicator | Settlement venue | |
|-----------------------|------------------|-------------|
| | Euroclear | Clearstream |
| A | Y | Y |
| B | N | N |
| C | N | N |
| E | N | N |
| F | Y | Y |
| I | Y | Y |
| N | N | N |
| S | N | N |
| Z | Y | Y |

Fractions of Shares cannot be held if a Shareholder holds Shares through Euroclear. If for example Shares are transferred by a Shareholder to a Euroclear account the Shares will be rounded down to the nearest whole Share and any fractions of Shares that

remain after the transfer may be redeemed by the Company and the redemption proceeds paid to the Shareholder.

THE COMPANY

The Company has been incorporated under the laws of the Grand Duchy of Luxembourg as a "*société d'investissement à capital variable*" (SICAV) on 21 November 1988 for an unlimited period. The capital may not, at any time, be less than the equivalent in US Dollars of 1,250,000.00 Euro.

The Articles of Incorporation have been deposited with the Luxembourg Trade and Companies' Register and have been published in the *Recueil des Sociétés et Associations* (the "*Mémorial*") of 11 January 1989. The Company has been registered with the Luxembourg Trade and Companies' Register under number B 29192.

The Articles of Incorporation have been lastly amended by an extraordinary shareholders' meeting held on 16 December 2015. The amendments thereto were published in the *Mémorial* on 13 January 2016.

The Directors shall maintain for each Fund a separate pool of assets. As between Shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Fund.

The assets of the Company shall be segregated on a Fund by Fund basis with third party creditors only having recourse to the assets of the relevant Fund.

THE MANAGEMENT COMPANY

Pursuant to a Management Company Services agreement effective as from 1 April 2014 (the "Management Company Services Agreement"), Morgan Stanley Investment Management (ACD) Limited, of 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, has been appointed as Management Company of the Company with responsibility for providing collective portfolio management services to the Company and each of the Funds, subject to the overall supervision and control of the Company. For its services, the Management Company receives fees, payable monthly, as set forth herein under the Section 2.5 "Charges and Expenses".

Morgan Stanley Investment Management (ACD) Limited is an indirect wholly owned subsidiary of Morgan Stanley. Morgan Stanley Investment Management (ACD) Limited was incorporated as a private limited company under the laws of the United Kingdom on 12 July 2001.

The Management Company Services Agreement has been entered into for an unlimited period of time and may be terminated at any time by either party upon three months' prior written notice or unilaterally with immediate effect by either party if the other party

commits a material breach that it fails to remedy within 30 days or if required by laws, regulations or any competent regulator or if the other party becomes insolvent or similar circumstances, fraud or bad faith on the part of the Management Company or if the interests of Shareholders so require.

The Management Company may delegate any of its responsibilities to any other party subject to approval by the Company but the Management Company's liability to the Company for the performance of collective portfolio management services shall not be affected by such delegation. In particular, the Management Company has delegated the investment management, distribution and central administration and transfer agency functions as set out in the sections below.

The Management Company has a remuneration policy in place which seeks to ensure that the interests of the Company and the Shareholders are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the Management Company whose activities have an impact on the risk profile of the Company. The Management Company shall seek to ensure that such remuneration policies and practices will be consistent with sound and effective risk management and with UCITS Regulation. The Management Company shall also seek to ensure that such remuneration policies and practices shall not encourage risk taking which is inconsistent with the risk profile and constitutional documents of the Company.

The Management Company shall seek to ensure that the remuneration policy will, at all times, be consistent with the business strategy, objectives, values and interests of the Company and the Shareholders and that the remuneration policy will include measures that seek to ensure that all relevant conflicts of interest can be managed appropriately at all times.

In particular, the remuneration policy also complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- i. the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the Shareholders of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period; and
- ii. fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Details regarding the remuneration to the Management Company and the Management Company's up-to-date remuneration policy, 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, may be obtained free of charge during normal office hours at the registered office of the Company and is available on the following website <http://www.morganstanleyinvestmentfunds.com> or through the following direct link: https://docs.publifund.com/92_Web1/LU0011983433/en_LU.

THE DIRECTORS OF THE COMPANY

The Directors of the Company are responsible for the overall control and supervision of the performance of the tasks performed by the Management Company.

Directors of the Company who are not executive directors or employees of the Investment Advisers or any affiliate will be entitled to receive remuneration from the Company as disclosed in the Annual Report. Other than this, the Company does not pay remuneration to any individual. The Company does not pay Directors variable remuneration.

Each of the Directors of the Company, other than Carine Feipel, has also been appointed to serve as director on the board of one or more other collective investment schemes or management companies managed or operated by the Investment Adviser(s) or an affiliate.

THE SUBSIDIARY

The directors of the Morgan Stanley Investment Holding Company (Mauritius) Limited (the "Subsidiary"), whose names appear at the end of this Section, under "Directors of the Subsidiary", accept responsibility for the information contained in this Section. To the best of the knowledge and belief of the Directors of the Subsidiary (who have taken all reasonable care to ensure that such is the case) the information contained in this section is in accordance with the facts and does not omit anything likely to affect the import of such information. Unless otherwise indicated herein, the opinions expressed in this section are those of the Directors of the Subsidiary.

The FSC of Mauritius has granted a Category 1 Global Business Licence to the Subsidiary under the Financial Services Act 2007 (currently in force in Mauritius and as may be amended from time to time). **It must be distinctly understood that, in giving this licence, the FSC of Mauritius does not vouch for the financial soundness of this Section or the correctness of any statement made or opinion expressed with regard to the Subsidiary.**

The Company is not protected by any statutory compensation arrangements in Mauritius in the event of the Subsidiary's failure.

The Indian Equity Fund currently invests through the Subsidiary which is a wholly owned subsidiary of the Company.

The reference currency of the Subsidiary is USD. The business of the Subsidiary is

- i. to undertake activities of an investment company under the laws of Mauritius; and
- ii. to carry on investment, advisory and marketing activities within the meaning of article 56. 3.e) of Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009, as amended from time to time.

The Directors of the Subsidiary are responsible for the overall investment policy, objective and management of the Subsidiary and for its administration. Investment is made via the Subsidiary to facilitate efficient management of the Indian Equity Fund.

The underlying investments of the Subsidiary comply with the investment guidelines and restrictions applicable to the Company.

The costs and expenses borne by the Subsidiary shall be allocated to the Indian Equity Fund, which shall invest its assets through the Subsidiary.

As required by the FSC of Mauritius, all investments held outside of Mauritius must be made through a bank account maintained in Mauritius.

Pursuant to the agreement Morgan Stanley Investment Management Inc. provides investment advisory and management services to the Subsidiary. Morgan Stanley Investment Management Inc. has obtained approval from the Securities and Exchange Board of India and the Reserve Bank of India to invest in India on behalf of approved client accounts as an FII. The Subsidiary is registered as a Foreign Institutional Investor "FII" sub-account of Morgan Stanley Investment Management Inc.'s licence and has been granted approval to invest in Indian securities.

As a non-Indian foreign investor, under Indian law the Subsidiary must use a designated remitting bank in India for all cash transfers into and out of India. The Subsidiary has appointed HSBC Mumbai as its remitting bank in India (which may have reporting obligations to the Reserve Bank of India with regard to the handling of such transactions).

The Depositary has been appointed as custodian of the Subsidiary and all cash, securities and other assets of the Subsidiary are held by the Depositary (or its correspondent banks) on behalf of the Company.

The Subsidiary has appointed CIM Fund Services under an agreement dated 15 September 2006 to act as administrator, secretary and registrar to the Subsidiary.

As a wholly owned subsidiary of the Company, all assets and liabilities, income and expenses of the Subsidiary are consolidated in the statement of net assets and operations of the Company. All investments held by the Subsidiary are disclosed in the financial statements and accounts of the Company.

The Subsidiary incurs and pays certain fees and expenses relating to its investment activity in India. These fees and expenses may include brokerage costs and commissions, transaction costs associated with converting currency to and from Indian Rupee to US Dollars, fees incurred by its standing proxy, corporate and registration fees and taxes associated with the establishment and operation of the Subsidiary.

THE INVESTMENT ADVISERS

The Directors of the Company are responsible for determining the investment policy of the different Funds.

In determining the investment policies of the Funds, the Directors of the Company will be assisted by one or several investment advisers (the "Investment Adviser(s)") for the day to day responsibility of providing discretionary investment management and investment advisory services.

Under an Investment Advisory Agreement, Morgan Stanley Investment Management Limited, of 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, has been appointed as Investment Adviser with responsibility for providing discretionary asset management and investment advisory services to the Management Company, such services to be provided in relation to all Funds, except the US Dollar Liquidity Fund. For its services, the Investment Adviser receives an annual fee, payable monthly, the details of which are set forth herein under the Section 2.5 "Charges and Expenses".

Morgan Stanley Investment Management Limited is a 100% indirect subsidiary of Morgan Stanley. Morgan Stanley Investment Management Limited was incorporated in 1986 under the laws of the United Kingdom. Its Board of Directors is currently composed of Andrew Onslow, Paul Price, Ruairi O'Heal and Lodewijk Van Setten.

Under an Investment Advisory Agreement, Morgan Stanley & Co. International plc, of 25 Cabot Square, Canary Wharf, E14 4QA, United Kingdom has been appointed as Investment Adviser with responsibility for providing discretionary investment management and investment advisory services to the US Dollar Liquidity Fund. For its services, the Investment Adviser receives an annual fee, payable monthly, the details of which are set forth herein under the Section 2.5 "Charges and Expenses".

Morgan Stanley & Co. International plc is a wholly-owned indirect subsidiary of Morgan Stanley. Morgan Stanley & Co. International

plc was incorporated under the laws of the United Kingdom on 28 October 1986. Morgan Stanley & Co. International plc board of directors is currently composed of David Oliver Cannon, Christopher Castello, Terri Duhon Lee Guy, Mary Catherine Phibbs, Ian Plenderleith, Robert Patrick Rooney, David Andrew Russell, Jakob Horder and Arun Kohli.

The agreements between the Management Company and the Investment Advisers provide that they are to remain in force for an unlimited period and may be terminated at any time by either party to the agreement upon three months' prior written notice or immediately by either party if the Management Company Services Agreement is terminated.

The Investment Advisers have been appointed to provide discretionary investment management and investment advisory services to the Management Company and, subject to the Company's overall control and supervision, to provide advice in connection with the day-to-day management in respect of the Funds.

Subject to an express delegation given by the Management Company, the Investment Advisers, pursuant to the agreement mentioned above, may furthermore have discretion, on a day-to-day basis and subject to the overall control of the Management Company, to purchase and sell securities, as appropriate, and otherwise to manage the portfolios of the different Funds for the account of the Company in relation to specific transactions.

During the term of any such specific delegation, the Investment Adviser will be authorised to act on behalf of the Management Company and to select agents, brokers and dealers through whom to execute transactions and provide the Management Company with reports in relation to such termination as the Management Company may require.

The Investment Adviser may delegate any of its responsibilities to any other party subject to approval by the Management Company and the CSSF but the Investment Adviser shall remain responsible for the proper performance by such party of those responsibilities.

THE SUB-ADVISERS

Pursuant to Sub-Advisory Agreements, Morgan Stanley Investment Management Inc, a company registered in the United States, has been appointed as Sub-Adviser of the Investment Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Sub-Advisory Agreement, Morgan Stanley Investment Management Company in Singapore has been appointed as Sub-Adviser in relation to such Funds as agreed from time to time.

Pursuant to a Delegation Agreement, Mitsubishi UFJ Asset Management (UK) Limited in London has been appointed as Sub-

Adviser in relation to Japanese Equity Fund, with effect as of 1 July 2014.

Pursuant to the terms of the relevant agreement mentioned above, the Sub-Advisers may have discretion, on a day-to-day basis and subject to the overall control of the Investment Adviser to purchase and sell securities as agent for the Investment Adviser and otherwise to manage the Portfolios of the relevant Funds for the account of the Company in relation to specific transactions.

The Sub-Advisers may delegate any of their responsibilities to any other party when expressly authorized by the relevant agreement, subject to the Adviser and CSSF's approval. In such case, the Investment Adviser shall remain responsible for the proper performance by such party of those responsibilities. In particular, Mitsubishi UFJ Kokusai Asset Management Co. Ltd. has been appointed by Mitsubishi UFJ Asset Management (UK) Ltd. pursuant to the Master Investment Management Delegation Agreement to provide discretionary investment management and/or investment advisory services to the Japanese Equity Fund. The delegation of the discretionary investment management services by Mitsubishi UFJ Asset Management (UK) Ltd. to Mitsubishi UFJ Kokusai Asset Management Co., Ltd. with effect as from 1 July 2014.

The fees of each Sub-Adviser will be paid by the Investment Adviser.

A list of the Funds in relation to which advice is provided by the Sub-Advisers and their delegate(s), if any, is available from www.morganstanleyinvestmentfunds.com and is included in the Company's Annual and Semi-Annual Reports.

THE DEPOSITARY

Pursuant to a depositary agreement (the "**Depositary Agreement**"), J.P. Morgan Bank Luxembourg S.A. has been appointed as the depositary (the "**Depositary**") to provide depositary, custodial, settlement and certain other associated services to the Company. For its services, the Depositary receives an annual fee, payable monthly as set forth herein under the Section 2.5 "Charges and Expenses".

The Depositary shall assume its functions and responsibilities in accordance with the UCITS Regulation as further described in the Depositary Agreement. In particular, the Depositary will be responsible for the safekeeping and ownership verification of the assets of the Company, cash flow monitoring and oversight in accordance with the UCITS Regulation.

In carrying out its role as depositary, the Depositary shall act independently from the Company and the Management Company and solely in the interest of the Company and its investors.

The Depositary will further, in accordance with the UCITS Regulation:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected by the Company or on its behalf are carried out in accordance with the applicable law and the Articles of Incorporation;
- b) ensure that the value per Share is calculated in accordance with the applicable law and the Articles of Incorporation;
- c) carry out, or where applicable, cause any sub-custodian or other custodial delegate to carry out the Instructions of the Company or the Management Company unless they conflict with the applicable law or the Articles of Incorporation;
- d) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- e) ensure that the income of the Company is applied in accordance with the Articles of Incorporation and the applicable law.

The Depositary is liable to the Company and/or its Shareholders or its investors for the loss of any financial instrument held in custody by the Depositary or any of its sub-custodian or other custodial delegate. The Depositary shall however, not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable to the Company for all other losses suffered by them as a result of the Depositary's failure to exercise reasonable care and diligence or properly fulfil its duties in accordance with the UCITS Regulation.

The Depositary may entrust all or part of the assets of the Company that it holds in custody to such third party as may be determined by the Depositary from time to time ("**sub-custodian**"). Except as provided in the UCITS Regulation, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a sub-custodian (see also above). Subject to the terms of the Depositary Agreement, entrusting the custody of assets to the operator of a securities settlement system is not considered to be a delegation of custody functions.

When selecting and appointing a sub-custodian or other delegate, the Depositary shall exercise all due skill, care and diligence as required by the UCITS Regulation to ensure that it entrusts the Company's assets only to a delegate who may provide an adequate standard of protection.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement (i.e. the effective prudential Regulation) under the 2010 Law, the Depositary

may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided however that (i) the investors, prior to their investment in the Company, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Company.

The current list of sub-custodians used by the Depositary and sub-delegates that may arise from any delegation is attached in Appendix H, and the latest version of such list may be obtained by investors from the Company upon request.

The Depositary Agreement may be terminated by any party on 90 days' notice in writing. Subject to the UCITS Regulation, the Depositary Agreement may also be terminated by the Depositary on 30 days' notice in writing under the conditions and circumstances set forth in the Depositary Agreement.

The Depositary is not allowed to carry out activities with regard to the Company that may create conflicts of interest between the Company, the Shareholders and the Depositary itself, unless the Depositary has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders. Please refer to the section 2.8 Conflicts of Interest and Soft Commission for further information on any such conflicts of interest.

Up-to-date information on the identity of the Depositary, a description of its duties and of conflicts of interests that may arise, a description of any delegated functions and any thereto related conflicts of interest may be obtained by the investors at the registered office of the Company upon request.

THE ADMINISTRATOR AND PAYING AGENT

Under an administration agreement, J.P. Morgan Bank Luxembourg S.A. has been appointed as Administrator of the Company and the Funds, to administer the computation of the Net Asset Value per Share of the different Funds, and to perform other general administrative functions. For its services, the Administrator receives an annual fee, payable monthly, which is part of the Administration Charge as set forth herein under the Section 2.5 "Charges and Expenses".

J.P. Morgan Bank Luxembourg S.A. was incorporated in Luxembourg as a public limited company ("*société anonyme*") on 16 May 1973; it is licensed to engage in all banking operations under the laws of the Grand Duchy of Luxembourg.

THE DOMICILIARY AGENT

Pursuant to a domiciliary agreement dated 23 March 2009, the Company has appointed Morgan Stanley Investment Management Limited, Luxembourg branch as its Domiciliary Agent to provide the Company's registered address, to store its corporate documents and to perform other related administrative functions.

THE REGISTRAR AND TRANSFER AGENT

Pursuant to a registrar and transfer agency agreement, RBC Investor Services Bank S.A. in Luxembourg has been appointed as Registrar and Transfer Agent to administer the issue, conversion and redemption of Shares, the maintenance of records and other related administrative functions.

THE DISTRIBUTOR

Morgan Stanley Investment Management Limited (the "Distributor") will act as Distributor of the Shares of each Fund pursuant to a Distribution Agreement (the "Distribution Agreement"). The Distribution Agreement allows the Distributor to appoint other sub-distributors or dealers for the distribution of Shares. Shares may also be purchased directly from the Company.

DISSOLUTION

The Company has been established for an unlimited period of time. However, the Company may be dissolved and liquidated at any time by a resolution of the general meeting of Shareholders.

In the event of dissolution, the liquidator(s) appointed by the Shareholders of the Company in accordance with the Supervisory Authority will realise the assets of the Company in the best interests of the Shareholders, and the Depositary, upon instruction given by the liquidator(s), will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Shareholders of each Class of Shares in proportion to their respective rights. As provided for by Luxembourg law, at the close of liquidation, the proceeds of liquidation corresponding to Shares not surrendered for repayment will be kept in safe custody at the "*Caisse de Consignation*" until the statute of limitation has lapsed. If an event requiring liquidation arises, issue, redemption, exchange or conversion of the Shares is void.

In the event that for any reason the value of the total net assets in any Fund or the value of the net assets of any Class of Shares within a Fund has decreased to, or has not reached, an amount determined by the Directors to be the minimum level for such Fund to be operated in an economically efficient manner, which shall be not less than the amount provided for under "Compulsory Redemption" heretofore, or in case of substantial modification in the political, economic or monetary situation or as a matter of economic rationalization, the Directors may decide to compulsorily redeem all the Shares of the relevant Classes issued in such Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses as well as the liquidation

costs, as the case may be), calculated at the valuation point at which such decision shall take effect. The Company shall serve a notice to the holders of the relevant Classes of Shares in writing prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations.

In addition, any feeder fund shall be liquidated and their Shares compulsory redeemed pursuant to the procedure set forth above in the event of the liquidation, division or merger of the relevant master fund, except to the extent permitted, and in compliance with the conditions set out under the 2010 Law and the CSSF Regulation 10-05.

In addition, the general meeting of Shareholders of the Classes of Shares issued in any Fund may, upon proposal from the Directors, redeem all the Shares of the relevant Classes issued in such Fund and refund to the Shareholders the net asset value of their Shares (taking into account actual realisation prices of investments and realisation expenses as well as the liquidation costs, as the case may be) calculated at the valuation point at which such decision shall take effect.

There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the "*Caisse de Consignation*" on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

AMALGAMATION

In the event that for any reason the value of assets in any Fund has decreased to, or has not reached, an amount determined by the Directors to be the minimum level for such Fund to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation, or as a matter of economic rationalisation the Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the assets of the Company or of any Fund with those of (i) another existing Fund within the Company or another Fund within such other Luxembourg or foreign UCITS (the "New Fund"), or of (ii) another Luxembourg or foreign UCITS (the "New UCITS") and to designate the Shares of the Company or the Fund concerned, as Shares of the New UCITS or of the New Fund, as applicable. The Directors are competent to decide on, or approve, the effective date of the merger. Such a merger shall be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project to be established by the boards of directors and the information to be provided to the Shareholders.

The Directors may decide to proceed with the absorption by the Company or one or several Funds of (i) one or several sub-funds of

another Luxembourg or a foreign UCI, irrespective of their form, or (ii) any Luxembourg or foreign UCI constituted under a non-corporate form. The exchange ratio between the relevant shares of the Company and the shares or units of the absorbed UCI or of the relevant sub-fund thereof will be calculated on the basis of the relevant net asset value per share or unit as of the effective date of the absorption. Such a merger does not require the prior consent of the Shareholders except where the Company ceases to exist as a result of the merger; in such case, the general meeting of shareholders of the Company must decide on the merger and its effective date. Such general meeting will decide by resolution taken subject to a quorum and majority requirements referred to in Article 30 of the Articles of Incorporation.

Notwithstanding the powers conferred on the Directors by the preceding paragraphs, the Shareholders of the Company or any Fund may also decide on any of the mergers or absorptions described above and on their effective date thereof. The convening notice to the general meeting of shareholders will indicate the reasons for and the process of the proposed merger or absorption. Such decision can be adopted by a simple majority of the votes validly cast with no quorum requirement.

In addition to the above, the Company may also absorb another Luxembourg or foreign UCI incorporated under a corporate form in compliance with the Law of 10 August 1915 on commercial companies, as amended and any other applicable laws and regulations.

In the event that for any reason the value of the net assets of any Class of Shares within a Fund has decreased to, or has not reached, an amount determined by the Directors to be the minimum level for such Class of Shares, to be operated in an economically efficient manner in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalization, the Directors may decide to amend the rights attached to any Class of Shares so as to include them in any other existing Class of Shares and re-designate the Shares of the Class or Classes concerned as Shares of another Class. Such decision will be subject to the right of the relevant Shareholders to request, without any charges, the redemption of their shares or, where possible, the conversion of those Shares into Shares of other Classes within the same Fund or into Shares of same or other Classes within another Fund in compliance with Section 2.4 “Conversion of Shares” above.

The assets which may not or are unable to be distributed to such Shareholders for whatever reasons will be deposited with the “*Caisse de Consignation*” on behalf of the persons entitled thereto.

MASTER/FEEDER FUND

The Master Fund is a sub-fund of the Morgan Stanley Liquidity Funds, an undertaking for collective investment in transferable securities established as an open-ended investment company with

variable capital, incorporated in Luxembourg and authorised by the CSSF having segregated liability between sub-funds.⁹

INTERACTION BETWEEN THE MASTER FUND AND US DOLLAR LIQUIDITY FUND (THE “FEEDER FUND”)

Each Dealing Day for Shares of the US Dollar Liquidity Fund will correspond to dealing days for shares of the Master Fund.

Subject to Section 2.7 “Net Asset Value Determination”, the Cut-Off Point for accepting orders for subscription or redemption in each of the US Dollar Liquidity Fund and the Master Fund are synchronised. This means that valid subscription or redemption orders for Shares of US Dollar Liquidity Fund placed before the Cut-Off Point for the US Dollar Liquidity Fund will be reflected by a same day purchase of shares in the Master Fund by the Company.

Subject to Section 2.7 “Net Asset Value Determination” and section “Reliance on the Master Fund” under Section 1.2 “Investment Objectives and Policies”, valuation points for the US Dollar Liquidity Fund and the Master Fund are also coordinated, as the US Dollar Liquidity Fund’s investment into the Master Fund will be valued at the latest available net asset value per share as published by the Master Fund.

The following documents and agreements are in place for the purpose of facilitating proper coordination between the US Dollar Liquidity Fund and the Master Fund in accordance with the relevant provisions of the 2010 Law.

- (A) Morgan Stanley Liquidity Funds, acting on behalf of the Master Fund has entered into an agreement with the Company in respect of the US Dollar Liquidity Fund pursuant to which Morgan Stanley Liquidity Funds will provide the Company with all documents and information necessary for the latter to meet the requirements laid down in the UCITS Directive. Morgan Stanley Liquidity Funds and the Company have further agreed appropriate measures to coordinate the timing of their net asset value determination and publication to avoid market timing in their shares and preventing arbitrage opportunities. Further, appropriate measures have been agreed between Morgan Stanley Liquidity Funds and the Company to address the following: mitigate conflicts of interest that may arise between Morgan Stanley Liquidity Funds and the Company, the basis of investment and divestment by the Company, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report.
- (B) The Depositary and the custodian bank of Morgan Stanley Liquidity Funds have entered into an agreement in order to share information regarding Morgan Stanley Liquidity Funds.

⁹ The Morgan Stanley Liquidity Funds (including all of its sub-funds) is not approved for distribution to non-qualified investors in Switzerland.

This agreement sets out the documents and categories of information to be provided between the custodians on a regular basis or upon request, the method and timing of transmission of information, the coordination duties of each custodian in operational matters in accordance with Luxembourg law, the coordination of accounting year-end procedures, reportable breaches committed by Morgan Stanley Liquidity Funds, the procedure for ad hoc requests for assistance, and specific contingent events reportable on an ad hoc basis.

TAX IMPLICATION

The investment into the Master Fund by the US Dollar Liquidity Fund has no specific Luxembourg tax impact on the Company. However, please refer to Section 2.10 “Taxation” above for details on subscription tax implications. Prior to investing, prospective investors should consult with their counsel and tax advisers to determine the consequences of such investment and determine if there is any tax implication for them.

ADDITIONAL INFORMATION ON THE MASTER FUND

The prospectus of Morgan Stanley Liquidity Funds is available free of charge from the Company as well as on the website of the distributor of Morgan Stanley Liquidity Funds at www.morganstanley.com/liquidity.

The relevant agreement entered into between the Morgan Stanley Liquidity Funds and the Company and/or the Management Company may be obtained free of charge at the registered office of the Company.

GENERAL MEETINGS

The Annual General Meeting of Shareholders of the Company is held at the registered office of the Company on the second Tuesday of the month of May at 10:30 a.m.

Shareholders of any Class or Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Fund or to such Class.

Notices of all general meetings are sent by mail to all registered Shareholders at their registered address at least eight days prior to the meeting. Such notice will indicate the time and place of the meeting, the conditions of admission thereto, will contain the agenda and refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at the meeting. To the extent required by law, further notices will be published in the *Mémorial* and in one Luxembourg newspaper.

ANNUAL AND SEMI-ANNUAL REPORTS

Audited reports to the Shareholders in respect of the preceding financial year of the Company, and the consolidated accounts of the Company, are made available at the registered office of the Company, of the Registrar and Transfer Agent and of the Distributor and shall

be available at least eight days before the Annual General Meeting. In addition, unaudited semi-annual consolidated reports are also made available at such registered offices within two months after 30 June. The annual and semi-annual reports are also available on the Company’s website (www.morganstanleyinvestmentfunds.com). The Company’s financial year ends on 31 December. The Company’s reference currency is USD.

The notice for the annual general meeting will contain an offer to provide to Shareholders upon request and free of charge a copy of the complete version of such annual and semi-annual reports.

In compliance with any applicable laws, Shareholders and third parties may, on request, receive additional information in relation to securities held by the Funds.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected free of charge during usual business hours on any week day (Saturday and public holidays excepted) at the registered office of the Company: European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

- a) the Articles of Incorporation of the Company;
- b) the Articles of Incorporation of the Investment Adviser(s);
- c) the material contracts referred to above; and
- d) the financial reports of the Company.

The documents under (a) and (b) may be delivered to interested investors at their request.

ADDITIONAL INFORMATION

Additional information such as copies of Complaints Handling, Proxy Voting, Best Execution and Conflicts of Interest policies are available from Morgan Stanley Investment Management Ltd, European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Luxembourg.
E-mail: cslux@morganstanley.com

PROBATE

Upon the death of a Shareholder, the Directors reserve the right to require the provision of appropriate legal documentation to evidence the rights of the Shareholder’s legal successor.

Morgan Stanley Investment Funds

Société d'Investissement à Capital Variable R.C.S. Luxembourg B 29192

DIRECTORS OF THE COMPANY

Judith Eden, non-executive director, UK. Formerly CEO of Morgan Stanley Investment Management (ACD) Limited and formerly a director of Morgan Stanley Investment Management Limited.

Andrew Mack, independent director, UK. Formerly CEO of Morgan Stanley Investment Management EMEA. Acted as a consultant to Morgan Stanley Investment Management until 31 December 2013

Henry Kelly, independent director, Luxembourg

William Jones, independent director, Luxembourg

Michael Griffin, independent director, Dublin, Ireland

Carine Feipel, independent director, Luxembourg

Judith Elizabeth Eden (United Kingdom) is a non-executive director of the Company. Ms Eden has over 25 years' experience in the financial sector and prior to retiring from Morgan Stanley in 2015, Ms Eden was the Chief Executive Officer of Morgan Stanley Investment Management (ACD) Limited and the Chief Administrative Officer, and a director, of Morgan Stanley Investment Management Limited. Ms Eden joined Morgan Stanley in 1992 and throughout her career held senior positions in Operations and Finance within the Morgan Stanley group. Prior to joining Morgan Stanley, Ms Eden worked in Price Waterhouse's (now PwC) Audit and Business Advisory practice, specialising in Financial Services. Ms Eden is a Fellow of the Institute of Chartered Accountants of England and Wales, a member of the UK Institute of Directors and holds INSEAD's Corporate Governance Certificate. Ms Eden serves on a number of boards, audit and risk committees in both public and private sector organisations.

Andy Mack (United Kingdom) is a non-executive director of the Company. Mr Mack joined Morgan Stanley in 1996 as a portfolio manager in the asset management business. He subsequently headed the global market risk oversight team for all of Morgan Stanley before taking over as market risk manager of the European equities business. Mr Mack was appointed as European head of multi asset class prime brokerage in 2004 and took over prime brokerage sales for Europe in 2006 before running the European listed derivative business. Mr Mack re-joined MSIM in 2008 as global chief risk officer, taking over as head of MSIM EMEA at the beginning of 2009. Mr Mack has 30 years' experience in the financial sector taking and managing risk for most of his investment career. Prior to joining Morgan Stanley, Mr Mack held portfolio management, trading and risk management positions at Cargill, Bankers Trust and Black River Asset Management, a Minneapolis based hedge fund.

Henry Kelly (Luxembourg) is an independent director of the Company. Mr Kelly is the Managing Director of KellyConsult

Sàrl, a Luxembourg-based consultancy firm to the investment fund sector that he founded in 1999. From 1993 – 1999 he was a Managing Director of Flemings Luxembourg (now JP Morgan Asset Management) following 5 years' experience in the capital markets division of BNP Paribas based in Paris. Prior to these posts he acquired 7 years' experience with Price Waterhouse (now PwC) in Paris, Frankfurt and New York. Mr Kelly is the Chairman of the Fund Governance Forum for the Association of the Luxembourg Fund Industry and a founding member of the Investment Funds Committee of the Luxembourg Institute of Directors ("ILA"). He is also a member of the European Fund and Asset Management Association Corporate Governance Working Group. He is a Member of the Institute of Chartered Accountants in England and Wales, holds the INSEAD Certificate in Corporate Governance and is certified as a director by the ILA. Mr Kelly is a director of several investment funds and investment management companies domiciled in Luxembourg and internationally.

William Jones (Luxembourg) is an independent director of the Company. Mr Jones is the founder of ManagementPlus Group established in 2006 which provides directorship and management company services from Luxembourg, Cayman Islands, Singapore, New York and Geneva. Mr. Jones has almost 25 years' experience in the hedge fund industry and has held senior positions with Goldman Sachs Asset Management International and Bank of Bermuda (now HSBC Bermuda). Mr. Jones holds INSEAD's Corporate Governance Certificate and is certified as a director by the Institut Luxembourgeois des Administrateurs ("ILA"). He is a member of the INSEAD's International Directors Program Advisory Board. He also sits on the Board of Directors of ILA, and its Fund Governance Committee, and multiple committees of ALFI, the Luxembourg fund industry association.

Michael Griffin (Ireland) is an independent director of the Company. Mr Griffin has over 30 years' experience in the financial sector. Since 1999, he has been a non-executive director of fund companies in Dublin & Luxembourg where he has worked with some of the leading sponsors in the sector. Prior to that, most of his executive experience was with the wholesale arm of the Ulster Bank Group in Dublin where he served on the board and management committee of Ulster Investment Bank Limited for 12 years. In this role, he managed the Treasury trading of the bank which included sovereign debt, money markets and foreign exchange. He was Chairman of the Irish Bankers' Federation EMU Capital Markets Committee from 1996 to 1999. He is a Fellow of the Institute of Bankers in Ireland.

Carine Feipel (Luxembourg) is an independent director of the Company. Ms Feipel has over 20 years of experience as a lawyer. Since January 2014, Ms Feipel practices as an independent lawyer and prior to that, she headed the insurance law practice and was a co-head of the employment law practice at the Luxembourg law firm Arendt & Medernach. Ms Feipel is a member of various

committees within the *Haut Comité pour la Place Financière*, a Government lead think tank coordinating promotion and innovation initiatives for the Luxembourg financial sector, a member of the Board of Directors and Management Committee of the Institut Luxembourgeois des Administrateurs (“ILA”) and a member of the Board of Governors of the International School of Luxembourg. She holds the INSEAD Certificate in Corporate Governance and is certified as a director by the ILA. Ms Feipel sits on the Board of Directors of four insurance companies and is a member of the Board of Directors of various Luxembourg companies active in the financial and investment funds sectors.

DIRECTORS OF THE MANAGEMENT COMPANY

Judith Eden, non-executive director, UK. Formerly CEO of Morgan Stanley Investment Management (ACD) Limited and formerly a director of Morgan Stanley Investment Management Limited

Andrew Mack, non-executive director, UK. Formerly CEO of Morgan Stanley Investment Management EMEA. Acted as a consultant to Morgan Stanley Investment Management until 31 December 2013

Diane Hosie, Managing Director, Morgan Stanley Investment Management, Global Sales and Distribution

Andrew Onslow, Managing Director, Morgan Stanley Investment Management, Head of Investment Management Operations International

Ruairi O’Healai, Managing Director, Morgan Stanley Investment Management, Chief Risk Officer International

DIRECTORS OF THE SUBSIDIARY

Ashraf Ramtoola, director, CIM Global Business Companies, Mauritius

Sonia Lutchmiah, director, CIM Global Business Companies, Mauritius

Andrew Mack, director, United Kingdom

William Jones, director, Luxembourg

Judith Eden, director, United Kingdom

MANAGEMENT COMPANY

Morgan Stanley Investment Management (ACD) Limited
 25 Cabot Square
 Canary Wharf
 London E14 4QA
 United Kingdom

INVESTMENT ADVISERS

Morgan Stanley Investment Management Limited
 25 Cabot Square
 Canary Wharf
 London E14 4QA
 United Kingdom

Morgan Stanley & Co. International plc
 25 Cabot Square
 Canary Wharf
 London E14 4QA
 United Kingdom

SUB-ADVISERS

Morgan Stanley Investment Management Inc.
 522 Fifth Avenue
 New York
 NY 10036
 United States of America

Mitsubishi UFJ Asset Management (UK) Ltd.
 24 Lombard Street
 London EC3V 9AJ
 United Kingdom

Morgan Stanley Investment Management Company
 23 Church Street
 16-01 Capital Square
 Singapore, 049481

DELEGATED ADVISER

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 1-12-1 Yurakucho, Chiyoda-ku
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 Japan

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 25 Cabot Square
 Canary Wharf
 London E14 4QA
 United Kingdom

DOMICILIARY AGENT OF THE COMPANY

Morgan Stanley Investment Management Limited
 Luxembourg Branch
 European Bank and Business Centre
 6B route de Trèves
 L-2633 Senningerberg
 Grand Duchy of Luxembourg

ADMINISTRATOR AND PAYING AGENT OF THE COMPANY

J.P. Morgan Bank Luxembourg S.A.
 European Bank and Business Centre
 6 route de Trèves
 L-2633 Senningerberg
 Grand Duchy of Luxembourg

DEPOSITARY OF THE COMPANY

J.P. Morgan Bank Luxembourg S.A.
 European Bank and Business Centre
 6 route de Trèves
 L-2633 Senningerberg
 Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT OF THE COMPANY

RBC Investor Services Bank S.A.
 14, Rue Porte de France
 L-4360 Esch-sur-Alzette
 Grand Duchy of Luxembourg

ADMINISTRATOR OF THE SUBSIDIARY

CIM Fund Services Limited
 33, Edith Cavell Street
 Port Louis
 Mauritius

AUDITOR OF THE COMPANY

Ernst & Young S.A.
 35E, avenue J.F. Kennedy,
 L-2082 Luxembourg,
 Grand Duchy of Luxembourg

AUDITOR OF THE SUBSIDIARY

Ernst & Young
 9th Floor, NeXTeracom Tower I
 Cybercity
 Ebene
 Mauritius

LEGAL ADVISER OF THE COMPANY AS TO LUXEMBOURG LAW

Arendt & Medernach S.A.
 41A, avenue J.F. Kennedy
 L-2082 Luxembourg
 Grand Duchy of Luxembourg

Appendix A

Investment Powers and Restrictions

INVESTMENT AND BORROWING POWERS

1. The Company's Articles permit it to invest in transferable securities and other liquid financial assets, to the full extent permitted by Luxembourg law. The Articles have the effect that, subject to the law, it is at the Directors' discretion to determine any restrictions on investment or on borrowing or on the pledging of the Company's assets.

INVESTMENT AND BORROWING RESTRICTIONS

The following restrictions apply to all investments by the Company except investments by the Company in any wholly-owned subsidiary.

2. The following restrictions of Luxembourg law and (where relevant) of the Directors currently apply to the Company:

2.1 The investments of each Fund shall consist of:

- a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments in Member States of the European Union (the "EU") ("Regulated Market");
- b) transferable securities and money market instruments dealt in on other regulated markets that are operating regularly, are recognised and are open to the public ("Other Regulated Market") in Member States of the EU;
- c) transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American and African continents;
- d) Transferable securities and money market instruments dealt in on any Other Regulated Markets in Europe, Asia, Oceania, the American and African continents;
- 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 Other Regulated Markets as specified in b) and d) and that such admission is secured within a year of issue;
- f) units of UCITS and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1(2), first and second indents of the UCITS Directive, including shares/units of a master fund qualifying as UCITS (as defined below), 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 Community 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 the UCITS Directive;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- 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. This restriction does not apply where a fund qualified as a feeder fund is investing in shares/units of a master fund qualifying as a UCITS;

For the purposes of this subparagraph (f), each sub-fund of a UCI with several sub-funds within the meaning of Article 181 of the 2010 Law must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations.

- 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 an EU 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 Community law;
- h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market or an Other Regulated Market; and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consists of instruments described in sub-paragraphs (a) to (g) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Company 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 Company's initiative;
- i) money market instruments other than those dealt in on a Regulated Market or an Other 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 they are:
- issued or guaranteed by a central, regional or local authority or central bank of an EU 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 or Other Regulated Market referred to in subparagraphs (a),(b) or (c) above, or;
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law or;
 - issued by other bodies belonging to the categories approved by the 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 Directive 78/660/EEC (1), 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 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.

2.3 Each Fund may acquire the units of UCITS and/or other UCIs referred to in paragraph 2.1 (f), provided that, unless (i) stated to the contrary in the investment policy of the relevant Fund and/or (ii) the Fund's denomination includes the term 'fund of funds', the aggregate investment in UCITS or other UCIs does not exceed 10% of the net assets of each Fund.

In the case of Funds not subject to the 10% restriction above, such Funds 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 such Funds in units of UCIs other than UCITS may not in aggregate exceed 30% of the assets of the Fund.

When each Fund has acquired 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 2.6.

When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any other company with which the 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, redemption and management fees may be charged on the target fund level to the Company on its investment in the units of such other UCITS and/or UCIs.

This restriction neither applies to Funds which are feeder funds. A UCITS or a sub-fund thereof is qualified as feeder fund provided that it invests at least 85% of its assets in another UCITS or sub-fund thereof ("master fund") provided such master fund is neither a feeder fund nor hold units/shares of a feeder fund within the meaning of the 2010 Law. To be qualified as feeder fund a Fund shall, in addition to investing 85% in the master fund, not invest more than 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with Article 41 (1) a) and b) of the 2010 Law;
- financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the 2010 Law;
- movable and immovable property which is essential for the direct pursuit of the Company's business.

Should a Fund qualify as feeder fund, a description of all remuneration and reimbursement of costs payable by the feeder fund by virtue of its investments in shares/units of the master fund, as well as the aggregate charges of both the feeder fund and the master fund, shall be disclosed in Section 2.5 "Charges and Expenses". The Company shall disclose in its Annual Report a statement on the aggregate charges of both the US Dollar Liquidity Fund and the Master Fund.

2.4 In addition, a Fund may subscribe, acquire and/or hold Shares of one or more Funds (the "Target Sub-Fund(s)"), without it being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares provided that:

- the Target Sub-Fund does not, in turn, invest in the Fund invested in such Target Sub-Fund; and
- no more than 10% of the net assets of the Target Sub-Fund the acquisition of which is contemplated may, be invested in aggregate in units/shares of other UCIs; and
- voting rights, if any, attaching to the relevant Shares of the Target Sub-Fund(s) are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these Shares of the Target Sub-Fund(s) are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets of the Fund as imposed by law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Fund having invested in the Target Sub-Fund and such Target Sub-Fund.

2.5 A Fund may hold ancillary liquid assets.

2.6 A Fund may not invest in any one issuer in excess of the limits set out below:

- a) not more than 10% of a 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 Fund's net assets may be invested in deposits made with the same entity;
- c) by way of exception, the 10% limit stated in the first paragraph of this section may be increased to:
 - a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by an EU 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 an EU 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 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 Fund.
- d) The total value of the transferable securities or money market instruments held by a 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 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 2.6 (a) to (d) above, a 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 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 2.6 (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 2.6 (a) to (d) shall under no circumstances exceed in total 35% of the net assets of the 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 2.6. (a) to (d) above.

The 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 2.6 (a) and the three indents under 2.6 (d) above.

Without prejudice to the limits laid down in paragraph 2.8 below, the limit of 10% laid down in sub-paragraph 2.6 (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 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 Fund is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, its

local authorities, by another member state of the OECD or of the Group of twenty (G20), by the Republic of Singapore or Hong-Kong or by public international bodies of which one or more EU 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 Fund.

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

2.8 The Company may not:

- acquire more than 10% of the shares with non-voting rights of one and the same issuer;
- acquire more than 10% of the debt securities of one and the same issuer;
- acquire more than 25% of the units of one and the same undertaking for collective investment;
- acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 2.8. (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.

2.9 The limits stipulated in paragraphs 2.7. and 2.8. above do not apply to:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- transferable securities and money market instruments issued by public international institutions to which one or more EU Member States are members;
- transferable securities held by a 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 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) transferable securities held by the Company 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.

- 2.10 The Company may always, in the interest of the shareholders, exercise the subscription rights attached to securities, which forms part of its assets.

When the maximum percentages stated in paragraphs 2.2 through 2.8 above are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its shareholders.

- 2.11 A 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 Company may acquire for the account of a 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.
- 2.12 The Company 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.
- 2.13 The Company 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 Company from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to below.
- 2.14 The Company's assets may not include precious metals or certificates representing them or commodities.
- 2.15 The Company may not purchase or sell real estate or any option, right or interest therein, provided that the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- 2.16 The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

- 2.17 The Company shall not issue warrants or other rights to subscribe for Shares in the Company to its Shareholders.

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

3 Derivatives and efficient portfolio management techniques

- 3.1 The Funds are 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 Funds' investment objectives.
- 3.2 The Company 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.
- 3.3 The Company will ensure that the global exposure relating to derivatives shall not exceed the total net value of a 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 Funds may invest, as part of their investment policy and within the limits laid down in paragraph 2.6 (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 2.6. When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph 2.6.

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

- 3.4 Where a Fund enters into a total return swap or invests in other derivatives with similar characteristics:

- the assets held by the Fund should comply with the investment limits set out in paragraphs 2.3, 2.6, 2.7, 2.8 and 2.9 above; and
 - the underlying exposures of such derivatives must be taken into account to calculate the investment limits laid down in paragraph 2.6 above.
- 3.5 The Annual Reports will contain, in respect of each Fund that has entered into financial derivative instruments over the relevant reporting period, details of:
- the underlying exposure obtained through financial derivative instruments;
 - the identity of the counterparty(ies) to these financial derivative instruments;
 - the type and amount of collateral received to reduce counterparty risk exposure.
- 3.6 The Funds are authorised to employ techniques and instruments relating to transferable securities or money market instruments subject to the following conditions:
- a) they are economically appropriate in that they are realised in a cost-effective way;
 - b) they are entered into for one or more of the following specific aims:
 - i. reduction of risk;
 - ii. reduction of cost;
 - iii. generation of additional capital or income for the relevant Fund with a level of risk which is consistent with its risk profile and applicable risk diversification rules;
 - c) their risks are adequately captured by the Company's risk management process.
- 3.7 The efficient portfolio management techniques ("EPM Techniques") that may be employed by the Funds in accordance with paragraph 3.6 above include securities lending, repurchase agreements and reverse repurchase agreements. A repurchase agreement transaction is a forward transaction at the maturity of which a Fund has the obligation to repurchase the assets sold and the buyer (counterparty) the obligation to return the assets received under the transaction. A reverse repurchase agreement transaction is a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the assets sold and the relevant Fund has the obligation to return the assets received under the transaction.
- 3.8 The use of EPM Techniques by the Funds is subject to the following conditions:
- a) When entering into a securities lending agreement, the Company should ensure that it is able at any time to recall any security that has been lent out or terminate the securities lending agreement.
 - b) When entering into a reverse repurchase agreement, the Company should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the relevant Fund.
 - c) When entering into a repurchase agreement, the Company should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
 - d) Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
 - e) The Company's Annual Report will include the following information:
 - i. the exposure obtained through EPM Techniques;
 - ii. the identity of the counterparty(ies) to these EPM Techniques;
 - iii. the type and amount of collateral received by the Company to reduce counterparty exposure; and
 - iv. the revenues arising from EPM Techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.
- 3.9 The counterparty risk arising from OTC derivative instruments and EPM Techniques may not exceed 10% of the assets of a 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 in the EU. This limit is set at 5% in any other case.
- 3.10 For the purpose of the restriction set out in paragraph 3.9., above, the counterparty risk of a Fund towards a counterparty under OTC derivative instruments or EPM Techniques is reduced by the amount of collateral posted in favour of the Fund. Collateral received by the Funds must comply at all times with the eligibility requirements set out in the Collateral Policy (Appendix B).

- 3.11 The collateral eligibility requirements set out in the Collateral Policy (Appendix B) stem from the ESMA Guidelines 2014/937 on ETFs and other UCITS issues (the “ESMA Guidelines 2014/937”) that apply to Luxembourg UCITS in accordance with CSSF Circular 14/592.

Appendix B

Collateral Policy

1. GENERAL

Funds are allowed to enter into OTC financial derivative transactions and to use EPM Techniques subject to the restrictions set out in Appendix A – Investment Powers and Restrictions, section 3 – “Derivatives and efficient portfolio management techniques”. In particular, the counterparty risk arising from OTC derivative instruments and EPM Techniques may not exceed 10% of the assets of a 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 in the EU. This limit is set at 5% in any other case.

The counterparty risk of a Fund vis-à-vis a counterparty will be equal to the positive mark-to-market value of all OTC derivative and EPM Techniques transactions with that counterparty, provided that:

- if there are legally enforceable netting arrangements in place, the risk exposure arising from OTC derivative and EPM Techniques transactions with the same counterparty may be netted; and
- if collateral posted in favour of the Fund and such collateral complies at all times with the criteria set out in section 2. below, the counterparty risk of a Fund towards a counterparty under OTC derivative or EPM Techniques transactions is reduced by the amount of such collateral.

The purpose of this Appendix is to set the collateral policy that will be followed by all Funds.

2. ELIGIBLE COLLATERAL

2.1 General principles

Collateral received by a Fund may be used to reduce its counterparty risk exposure with a counterparty if it complies at all times with the criteria laid down in the ESMA Guidelines 2014/937. By way of derogation to the principle of collateral diversification laid down under 43 (e) of the ESMA Guidelines 2014/937, each Fund may have an exposure for up to 100% of its net assets in securities issued or guaranteed by a Member State, its local authorities, a member State of the OECD or by a public international body of which one or more Member States are members, provided that the Fund holds securities of at least six different issues and that the securities from any one issue do not account for more than 30% of the net assets of the Fund.

- 2.2 For the purpose of paragraph 2.1. above, all assets received by a Fund in the context of EPM Techniques should be considered as collateral.

2.3 Eligible assets

Collateral received by a Fund will only be taken into account for reducing its counterparty risk exposure with a counterparty if it consists of assets which are part of the following list:

- a) liquid assets. Liquid assets include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets;
- b) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- c) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- d) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- e) bonds issued or guaranteed by first class issuers offering an adequate liquidity;
- f) shares admitted to or dealt in on a Regulated Market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The above general collateral eligibility requirements are without prejudice to the more specific requirements which may apply to a Fund under Section 1.2 “Investment Objectives and Policies” of the Prospectus.

3. REINVESTMENT OF COLLATERAL

3.1 Non-cash collateral

Non-cash collateral received by a Fund may not be sold, re-invested or pledged.

3.2 Cash collateral

Cash collateral received by a Fund can only be:

- a) placed on deposit with credit institutions which either have their registered office in an EU Member State or are subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

- b) invested in high-quality government bonds;
- c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- d) invested in Short-Term Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out in the ESMA Guidelines 2014/937.

4. SAFEKEEPING OF COLLATERAL

Collateral posted in favour of a Fund under a title transfer arrangement should be held by the Depositary or one of its correspondents or sub-custodians. Collateral posted in favour of a Fund under a security interest arrangement (e.g., a pledge) can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

5. HAIRCUT POLICY

The Company has a haircut policy relating to the classes of assets received as collateral. The Company typically receives cash, high-quality government and non-government bonds as collateral. The Company will typically apply haircuts ranging from 0.5-10% for government bonds and from 5-15% for non-government bonds. No haircut will generally be applied to cash collateral. Haircuts are assessed based on collateral credit quality, price volatility and tenor, and the Company may vary the haircut outside the above ranges if it consider it to be appropriate based on these factors.

Appendix C

Additional information for UK Investors

MORGAN STANLEY INVESTMENT FUNDS

Société d'Investissement à Capital Variable Luxembourg

GENERAL

This Supplement should be read in conjunction with the Company's Prospectus, of which it forms part. References to the "Prospectus" are to be taken as references to that document as supplemented or amended hereby.

The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom. The Prospectus is distributed in the United Kingdom by or on behalf of the Company and is approved by Morgan Stanley Investment Management Limited, whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA. Morgan Stanley Investment Management Limited is regulated by the Financial Conduct Authority ("FCA"), for the purposes of Section 21 of the FSMA. The registered office of the Company is at European Bank and Business Centre, 6B route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

Morgan Stanley Investment Management Limited is acting for the Company in relation to the Prospectus and matters relating thereto and it or any of its associates may have an interest or position in Shares of the Company. It is not acting for, or advising or treating as its customer any other person (unless other arrangements apply between Morgan Stanley Investment Management Limited and such person) in relation to investment in the Company.

IMPORTANT

A United Kingdom investor who enters into an investment agreement with the Company to acquire Shares in response to the Prospectus will not have the right to cancel the agreement under the cancellation rules made by the Financial Conduct Authority in the United Kingdom. The agreement will be binding upon acceptance of the order by the Company.

The Company does not carry on any regulated activity from a permanent place of business in the United Kingdom and United Kingdom investors are advised that most of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Company. Shareholders in the Company may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

Morgan Stanley Investment Management Limited shall provide the following facilities to United Kingdom investors at 25 Cabot Square, Canary Wharf, London, E14 4QA:

- i. arrangement for the payment of dividends in respect of shares in certificated form, if any, and for the payment of redemption or repurchase proceeds;

- ii. during normal business hours on any week day (Saturday and public holidays excepted), the inspection, free of charge and the supply of copies, if required, of the following in English:

- the Prospectus;
- the Articles of Incorporation of the Company;
- the key investor information document;
- the most recently published audited annual reports and the unaudited semi-annual reports;
- notices which have been given or sent to investors;
- and the Net Asset Value per Share of each Class of Shares on each Dealing Day.

- iii. the receipt of complaints for forwarding to the Company.

Potential investors should note that the investments of the Company are subject to normal market fluctuations and other risks inherent in investing in shares and other securities, in addition to the additional risks associated with investment in certain of the Funds, as described under Sections 1.2 "Investment Objectives and Policy" and 1.5 "Risk Factors".

The value of investments and the income from them, and therefore the value of, and income from, the Shares of each Class can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase.

Shareholders may view the Net Asset Value per Share on the Company's web-site (www.morganstanleyinvestmentfunds.com).

UK TAXATION

The following information is based on the law in force in the United Kingdom ("UK") and HM Revenue & Customs published practice understood to be applicable on the date of this Supplement, is subject to changes therein and is not exhaustive. Unless expressly stated otherwise, it is intended to offer guidance only to UK resident, and (in the case of individuals) domiciled investors holding Shares as an investment as the absolute beneficial owners thereof on the UK taxation of the Company and such investors, but does not constitute legal or tax advice. The following summary is not a guarantee to any investor of the taxation results of investing in the Company and may not apply to certain categories of investors.

The rates, bases and levels of, and any relief from, taxation can change. Tax treatment depends on the individual circumstances of the investor, and investors and prospective investors should inform themselves of, and where appropriate take advice on, the tax consequences applicable to the subscription, purchase, holding,

disposal and redemption of Shares and the receipt of distributions (whether or not on redemption) in respect of such Shares in the country of their citizenship, residence or domicile and any other country in which they are liable to taxation.

THE COMPANY

It is the intention of the Directors to conduct the affairs of the Company so that it does not become resident in the UK for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated therein), the Company will not be liable to UK income tax or corporation tax on its income or gains earned on or derived from the Company's investments save for tax on certain income deriving from a UK source, for example, interest with a UK source (UK tax on this interest potentially being levied by withholding at source).

UK RESIDENT SHAREHOLDERS

Individual Shareholders that are resident in the UK for taxation purposes may, subject to their personal circumstances, be liable to UK income tax in respect of any dividends paid by the Company or any other income distributions made by the Company (whether or not reinvested and including undistributed reported income under the "reporting fund" regime). Individual investors should also refer to the Section on Anti-avoidance provisions below. Investors who are within the charge to UK corporation tax in respect of Shares in the Company will generally be exempt from corporation tax on dividends and other income distributions, unless the bond fund rules (described below) or other anti-avoidance provisions apply.

Investors within the charge to UK income tax may in certain circumstances be entitled to a non-payable tax credit which may be set off against their total income tax liability on dividends or other income distributions from the Company. If applicable, the tax credit would be equal to 10% of the aggregate of the distribution and the tax credit, or one-ninth of the distribution received.

A UK resident investor's liability to UK income tax or UK corporation tax in respect of income distributions made by the Company may be adjusted for a number of reasons, in particular as a result of equalisation arrangements if such investor subscribes for Shares otherwise than at the beginning of a period over which distributions are calculated.

Investors should note that special rules apply to certain categories of taxpayer, including insurance companies, pension schemes, investment trusts, authorised unit trusts, open-ended investment companies, charities and certain governmental bodies, among others.

TAXATION OF INVESTORS IN BOND FUNDS

A fund is considered a bond fund for UK taxation purposes if the market value of its "qualifying investments" (as detailed below) at any time exceeds 60% of the market value of all its investments. Given the current structure and investment objectives of certain Funds, these rules are likely to be relevant to certain classes of Shares in certain Funds.

"Qualifying investments" are: (a) money placed at interest (other than cash awaiting investment); (b) securities (other than shares in a company); (c) shares in a building society; (d) qualifying holdings in a unit trust scheme, an offshore fund or an open-ended investment company (this can be interpreted as a holding in a unit trust, offshore fund or OEIC which itself fails, at that time or at any other time in the relevant accounting period, the non-qualifying investment test (as set out above) in respect of its holdings of investments; (e) alternative finance arrangements; (f) derivative contracts in respect of currency or any of the matters listed in (a) to (e) above; (g) contracts for differences relating to interest rates, creditworthiness or currency; and (h) derivative contracts not within (f) or (g) where there is a hedging relationship between the derivative contract and an asset within (a) to (d) above.

An individual resident in the UK for taxation purposes who holds Shares of a bond fund will be taxed on dividends from that bond fund as if that payment was a payment of interest. As a result, no tax credit will attach to the payment for UK taxation purposes. These rules may apply to a dividend received by UK resident investor from a bond fund notwithstanding that it may have divested of its holding at the date it receives the dividend.

To the extent that payments of distributions or redemption proceeds made by a Luxembourg paying agent have been subject to withholding tax pursuant to the Law dated 21 June 2005 (by which Luxembourg implemented the EU Savings Directive) as amended by the Luxembourg law of 25 November 2014 concerning the procedure applicable to the exchange of tax information upon request, Shareholders resident in the UK may be able to obtain credit for or repayment of such withholding tax, depending on their circumstances.

A company resident in the UK for taxation purposes which is within the charge to UK corporation tax, and which holds Shares of a bond fund will be taxed on a fair value basis for each year of its investment as if its interest in the relevant Shares was a right under a creditor loan relationship. These rules will apply to a UK resident corporate investor if the 60% limit is exceeded at any time during that investor's accounting period, even if it was not holding Shares of that class at that time.

“REPORTING FUND” STATUS

On the basis that the Company provides arrangements for the separate pooling of the contributions of investors to the Company and the profits or income out of which payments are made to investors in the Company, the Company is an umbrella fund for United Kingdom tax purposes. In addition, all of the Funds within the Company consist of different classes of Shares. The United Kingdom offshore funds rules therefore apply in relation to each separate class of Shares within each Fund, as if each class of Shares in each Fund formed a separate offshore fund for United Kingdom tax purposes.

From 1 December 2009, a new regime for the taxation of UK resident investors in offshore funds came into force. Under this regime, funds may be certified as “reporting funds” and UK resident investors in such funds should retain capital gains treatment on disposal of their holdings (subject to the rules outlined above for corporate investors in bond funds). The Company intends to maintain “reporting fund” status for the share classes highlighted as such on www.morganstanleyinvestmentfunds.com. Details of the reportable income for such share classes will be made available on the above website within 6 months of the Company’s year-end or the closure or merger of a relevant fund or share class. Any excess of reportable income over amounts paid out as distributions must be declared by UK investors on their own tax returns and will be taxed as dividends or interest, depending on whether the Fund is a bond fund or not. Shareholders without access to the internet may arrange to receive details of reportable income by alternative means by contacting Morgan Stanley Investment Management Limited. In all cases, there can, however, be no guarantee that “reporting fund” certification will be obtained or maintained.

If approval as a “reporting fund” is granted, “reporting fund” status will apply to Shares of the relevant class for each period of account of the Company provided the Company continues to comply with the applicable rules in respect Shares of that class and does not elect for Shares of that class to become a “non-reporting fund”.

For so long as “reporting fund” status is maintained, any profit on a disposal of Shares of the relevant class (for example, by way of transfer or redemption including switching between classes of Shares) by a UK resident investor should fall to be taxed as a capital gain (subject to the rules outlined above for corporate investors in bond funds).

If “reporting fund” status is not maintained for any accounting period (or is not initially sought or obtained) in respect of a class of Shares, any gain arising on a disposal of Shares of that class (for example, by way of transfer or redemption including switching between classes of Shares) will constitute income for all purposes of United Kingdom taxation.

ANTI-AVOIDANCE PROVISIONS

The attention of companies resident in the UK for taxation purposes is drawn to the “controlled foreign companies” provisions contained in Part 9A Taxation (International and Other Provisions) Act 2010. These provisions affect UK resident companies which are deemed to be interested, either alone or together with certain connected or associated persons, in at least 25% of the profits (not including capital gains) of a non-UK resident company (such as the Company) which (i) is controlled by companies or other persons who are resident in the UK for taxation purposes and (ii) is subject to a low level of taxation in the territory in which it is resident.

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons or companies resident or domiciled abroad, and may render them liable to income tax in respect of the undistributed income (if any) of the Company.

The attention of persons resident in the UK (and who, if individuals, are (i) also domiciled in the UK; or (ii) not domiciled in the UK but subject to UK taxation on a remittance basis) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person who, either alone or together with certain “connected persons”, holds more than 25% of the Shares in the Company if, at the same time, the Company is controlled in such a manner as to render it a company that would, were it to be resident in the UK, be a “close” company for UK taxation purposes. These provisions could, if applicable, result in such a person being treated for the purposes of UK taxation as if a proportionate part of any gain accruing to the Company (such as on a disposal of any of its investments) had accrued to that person at the time when the chargeable gain accrued to the Company.

Appendix D

Additional Information for Swiss Investors

REPRESENTATIVE IN SWITZERLAND

The Representative in Switzerland since 1 April 2015 is:

Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. Tel.: + 41 (0)22 705 11 77, Fax: + 41 (0)22 705 11 79.

PAYING AGENT IN SWITZERLAND

The Paying Agent in Switzerland since 1 April 2015 is:

Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva.

PLACE WHERE THE RELEVANT DOCUMENTS MAY BE OBTAINED

Copies of the Prospectus, the key investor information documents, the Articles of Incorporation and the annual and semi-annual reports of the Company may be obtained free of charge from the Representative in Switzerland.

PUBLICATIONS

Announcements of the Company, in particular concerning amendments to the Articles of Incorporation and the Prospectus, will be published on www.fundinfo.com.

The Net Asset Value per Shares of each Fund, together with an indication "commissions excluded" will be published daily on www.fundinfo.com.

PAYMENT OF RETROCESSIONS AND REBATES

In accordance with SFAMA Guidelines, full information on the Distributor's practices regarding payment of retrocessions and rebates is set out in the Company's Swiss prospectus.

STRICTER FOREIGN LAW REGARDING RETROCESSIONS AND REBATES

The laws and regulations of the Grand Duchy of Luxembourg do not provide for rules stricter than the Swiss rules regarding retrocessions or rebates in Switzerland.

PLACE OF PERFORMANCE AND PLACE OF JURISDICTION

In respect of the Shares distributed in or from Switzerland, the place of performance and the place of jurisdiction is at the registered office of the Representative in Switzerland.

Appendix E

Additional Information for Irish Investors

FACILITIES AGENT

The Company and J.P. Morgan Bank Luxembourg S.A. (the “Depositary”) have appointed J.P. Morgan Administration Services (Ireland) Limited in Dublin as facilities and paying agent (the “Facilities Agent”) of the Company in Ireland.

The Facilities Agent shall provide the following facilities to investors at JP Morgan House, International Financial Services Centre, Dublin 1, Ireland:

- i. the issuance or conversion of Shares, the payment of dividends, if any, and the payment of redemption or repurchase proceeds;
- ii. during normal business hours, the inspection, free of charge and the supply of copies, if required, of the Prospectus, the Articles of Incorporation of the Company, the audited annual reports and the unaudited semi-annual reports. Such documents as well as any further documents mentioned in the Prospectus are available for inspection at the offices of the Facilities Agent provided the interested investor has given notice to the Facilities Agent;
- iii. the receipt of complaints for forwarding to the Company.

ISSUE AND REDEMPTION OF SHARES, SUBSCRIPTION AND PAYMENT PROCEDURE

Applications for Shares and redemptions as well as for conversions may be made to the Transfer Agent in Luxembourg at the address below:

RBC Investor Services Bank S.A.
14, Rue Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg
Tel (352) 25 47 01 9511, Fax (352) 2460 9902

as well as to the Facilities Agent in Ireland at the address below:

JP Morgan House
International Financial Services Centre
Dublin 1
Ireland

PUBLICATIONS

The Net Asset Value per Share of each Fund of each Class of Shares in respect of each Dealing Day, together with that day’s dividend declaration for the US Dollar Liquidity Fund are available at the registered office of the Company and at the office of Morgan Stanley Investment Management Limited.

Shareholders may view the Net Asset Value per Share on the Company’s website (www.morganstanleyinvestmentfunds.com).

IRISH TAXATION

The following information is based on the law in force in Ireland on the date of this Prospectus. This summary deals only with Shares held as capital assets by Irish resident Shareholders and does not address special classes of Shareholders such as dealers in securities or persons that may be exempt from tax such as Irish pension funds and charities. This summary is not exhaustive and Shareholders are advised to consult their own tax advisors with respect to the taxation consequences of the ownership or disposition of Shares.

THE COMPANY

It is the intention of the Directors to conduct the affairs of the Company so that it is neither resident in Ireland nor carrying on a trade in Ireland. Accordingly, the Company will not be subject to Irish corporation tax.

IRISH INVESTORS

a) Taxation generally

Shares in the Company are likely to constitute a “material interest” in an offshore fund for the purposes of Chapter 4 Part 27 of the Taxes Consolidation Act, 1997. The tax treatment set out at (c) below should apply to the holding of Shares but this treatment is only available where a shareholder files the relevant tax returns declaring the returns as the interest. Failure to file such returns can result in amounts received potentially being subject to income tax at marginal rates.

b) Reporting of acquisition

An Irish resident or ordinarily resident person acquiring Shares in the Company is required to disclose details of the acquisition in his annual tax return. Where an intermediary in the course of carrying on a business in Ireland acquires Shares in the Company it must report details of the acquisition to the Irish Revenue Commissioners.

c) Income and capital gains

An Irish resident corporate Shareholder will be liable to corporation tax at 25% on income distributions received from the Company.

Where an Irish resident or ordinarily resident person who is not a company holds Shares in the Company and receives an income distribution from the Company, provided he discloses the receipt of such income in his income tax return, he will be liable to income tax at 41% on the amount of such distribution.

An Irish resident corporate Shareholder which disposes of Shares in the Company will be liable for corporation tax at a rate of 25% on the amount of any gain arising. It should be noted that no indexation allowance is available.

Where an Irish resident or ordinarily resident person who is not a company disposes of a Share and discloses such information in a tax return, a liability to Irish tax at 41% will arise on the amount of the gain. No indexation allowance is available and the death of a Shareholder would constitute a deemed disposal of a Share.

There is a deemed disposal for the purposes of Irish tax of Shares held by an Irish resident investor on a rolling 8 year basis where the Shares are acquired on or after 1 January 2001. This deemed disposal takes place at market value so that Irish resident or ordinarily resident shareholders will be subject to tax at the rate of 41% on the increase in value of their Shares at 8 year intervals commencing on 8th anniversary of the date of acquisition of the Shares.

The following taxation consequences arise if the appropriate receipts or disposals are not disclosed by a Shareholder who is not a company in his annual tax return.

Where an Irish resident or ordinarily resident Shareholder receives an income distribution from the Company such person would be liable to income tax at that person's marginal income tax rate (currently up to 41%) plus relevant levies and social insurance contributions. Any gain arising on the disposal or part disposal of a Share, which includes a deemed disposal on the death of a Shareholder and the 8 year rolling deemed disposal outlined above, would be taxable at income tax rates (of up to 41%).

ANTI-AVOIDANCE PROVISION

There is an anti-avoidance provision imposing higher rates of tax on Irish resident investors in "personal portfolio investment undertakings" ("PPIU"). A PPIU is a fund in which the investor, or a person connected with the investor, has a right under the terms of the fund or any other agreement, to influence the selection of the assets of the fund. If a fund is treated as a PPIU the Irish resident investor can suffer tax at rates of up to 60% (80% where details of the payments/disposal are not correctly included in the individual's tax return) on amounts received from the fund, or on the rolling 8 year deemed disposal.

WITHHOLDING OBLIGATION ON PAYING AGENTS

If any dividend is paid through the Facilities Agent it is obliged to deduct tax from such dividend at the standard rate of income tax and account for this to the Irish Revenue Commissioners. The recipient of the dividend would be entitled to claim a credit for the sum deducted by the Facilities Agent against his tax liability for the relevant year.

STAMP DUTY

Transfers for cash of Shares in the Company will not be subject to Irish stamp duty.

GIFT AND INHERITANCE TAX

A gift or inheritance of Shares in the Company received from a person who is resident or ordinarily resident in Ireland or received by such a person will be within the charge to Irish capital acquisitions tax. Capital acquisitions tax is charged at a rate of 33% above a tax-free threshold which is determined by the amount of the benefit and of previous benefits within the charge to capital acquisitions tax, and the relationship between the person treated as disposing of such shares and the successor or donee. Tax chargeable and again arising on a deemed deposit by an individual on their death shall be treated as an amount paid in respect of capital gains tax for the purposes of crediting such amount paid against gift on inheritance tax arising on such death.

TRANSFERS BETWEEN FUNDS

The Directors have been advised that in the Republic of Ireland the exchange of Shares from one Fund to another Fund will not constitute a disposal of such Shares and will not give rise to a charge to tax.

Appendix F

Additional Information for Chilean Investors

All of the information provided by the Morgan Stanley Investment Funds (the “Company”) for the purpose of registering the Shares on the Chilean Foreign Securities Registry (the “FSR”), maintained by the “*Superintendencia de Valores y Seguros*” of Chile (the “SVS”) is available to the public at the offices of (i) Santander Investment S.A. Corredores de Bolsa, (ii) Larrain Vial S.A. Corredora de Bolsa, (iii) Cruz del Sur Corredora de Bolsa S.A., (iv) Credicorp Capital S.A. Corredores de Bolsa, and (v) Valores Security S.A. Corredores de Bolsa at the addresses below.

Santander Investment S.A. Corredores de Bolsa
Bandera 140, Piso 14
Santiago
Chile

Telephone: (56-2) 23663400

Fax: (56-2) 26962097

Larraín Vial S.A. Corredora de Bolsa.
El Bosque Norte 0177 Piso 3
Las Condes
Santiago
Chile

Telephone: (56-2) 23398617

Fax: (56-2) 23320131

Valores Security S.A. Corredores de Bolsa
Apoquindo 3150, 7th Floor
Las Condes
Santiago
Chile

Telephone: (56-2) 2584-4601

Facsimile: (56-2) 2584-4015

Cruz del Sur Corredora de Bolsa S.A.
Magdalena 121
Las Condes
Santiago
Chile

Telephone: (56-2) 24618810

Credicorp Capital S.A. Corredores de Bolsa
Av. Apoquindo 3721 Piso 9
Las Condes
Santiago
Chile

Telephone: (56-2) 24501600

TAXATION

In accordance with article 11 of the Chilean Income Tax Law (Decree-Law 824 of 1974, as modified by Law 19.601 which regulates the offering to the public of foreign securities in Chile (the “Income Tax Law”)), shares of the Company which are acquired on the Chilean market are not considered to be situated in Chile, as they are securities issued by an entity incorporated outside the country and are registered in the FSR, in accordance with the Title XXIV of the Securities Law. Consequently, as stated in article 10 and 11 of the Income Tax Law, any income arising from the Shares is not considered to be income from a Chilean source. Therefore, Investors who are not domiciled in or resident in Chile will not be subject to tax in Chile in respect of their holding of Shares. Investors who are domiciled or resident in Chile will be subject to tax in Chile in respect of the Shares in accordance with the Income Tax Law.

Appendix G

Additional Information for Taiwan Investors

Any Fund registered for sale with the Taiwan Financial Supervisory Commission (the “FSC”) will be subject to the following restrictions:

The Funds offered and sold in Taiwan will be subject to the following restrictions:

- a) unless otherwise approved or announced for exemption by Taiwan Financial Supervisory Commission (the “FSC”), the total value of such Fund’s non offset short position in derivatives for hedging purposes will not exceed the total market value of the relevant securities held by that Fund and the risk exposure of such Fund’s non offset position in derivatives for purposes of increase of investment efficiency will not exceed 40% of the Net Asset Value of that Fund. In calculating the percentage of derivatives for the purposes of this limit, where a Fund invests in currency forwards and/or currency swaps for risk hedging, if (i) the relevant hedging transactions are directly related to the instruments being hedged; and (ii) the amount and maturity of the hedging transactions do not exceed the amount and maturity of the investments being hedged, the amount of such currency forwards and/or currency swaps may be excluded from the calculation of the amount invested in derivatives;
- b) a Fund may not invest in gold, direct commodities or direct real estate;
- c) the percentage of the Fund’s holdings in stocks listed on exchanges in Mainland China may not, at any time, exceed certain percentage limits as stipulated by the FSC from time to time;
- d) the total investment in such Funds by domestic investors in Taiwan may not, at any time, exceed certain percentage limits as stipulated by the FSC from time to time; and
- e) the securities market of Taiwan may not constitute a major investment region in the portfolio of any Fund. The investment amount of each Fund in the securities market of Taiwan shall be subject to a percentage stipulated by the FSC from time to time.

Appendix H

List of sub-custodians used by the Depositary and sub-delegates that may arise from any delegation of the Depositary's duties

This list is accurate as at the date of the Prospectus. The latest version of such list may be obtained by investors from the Company upon request.

| Market | Sub Custodian | Cash Correspondent Bank |
|-------------------|--|---|
| ARGENTINA | HSBC Bank Argentina S.A. Avenida Martin Garcia 464, 5th Floor C1268ABN Buenos Aires ARGENTINA | HSBC Bank Argentina S.A. Buenos Aires |
| AUSTRALIA | JPMorgan Chase Bank, N.A.** Level 19, 55 Collins Street Melbourne 3000 AUSTRALIA | Australia and New Zealand Banking Group Ltd. Melbourne |
| AUSTRIA | UniCredit Bank Austria AG Julius Tandler Platz-3 A-1090 Vienna AUSTRIA | J.P. Morgan AG** Frankfurt am Main |
| BAHRAIN | HSBC Bank Middle East Limited 1st Floor, Building No 2505, Road No 2832 Al Seef 428 BAHRAIN | HSBC Bank Middle East Limited Al Seef |
| BANGLADESH | Standard Chartered Bank Portlink Tower Level-6, 67 Gulshan Avenue Gulshan Dhaka-1212 BANGLADESH | Standard Chartered Bank Dhaka |
| BELGIUM | BNP Paribas Securities Services S.C.A. Central Plaza Building Rue de Loosum, 25 7th Floor 1000 Brussels BELGIUM | J.P. Morgan A.G.** Frankfurt am Main |
| BERMUDA | HSBC Bank Bermuda Limited 6 Front Street Hamilton HM 11 BERMUDA | HSBC Bank Bermuda Limited Hamilton |
| BOTSWANA | Standard Chartered Bank Botswana Limited 5th Floor, Standard House P.O. Box 496 Queens Road, The Mall Gaborone BOTSWANA | Standard Chartered Bank Botswana Limited Gaborone |
| BRAZIL | J.P. Morgan S.A. DTVM** Av. Brigadeiro Faria Lima, 3729, Floor 06 Sao Paulo SP 04538 905 BRAZIL | J.P. Morgan S.A. DTVM** Sao Paulo |
| BULGARIA | Citibank Europe plc Serdika Offices 10th Floor 48 Sitnyakovo Blvd Sofia 1505 BULGARIA | ING Bank N.V. Sofia |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|-----------------------|--|--|
| CANADA | <p>Canadian Imperial Bank of Commerce Commerce Court West Security Level Toronto Ontario M5L 1G9 CANADA</p> <p>Royal Bank of Canada 155 Wellington Street West, 2nd Floor Toronto Ontario M5V 3L3 CANADA</p> | Royal Bank of Canada Toronto |
| CHILE | Banco Santander Chile Bandera 140, Piso 4 Santiago CHILE | Banco Santander Chile Santiago |
| CHINA A-SHARE | HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA | HSBC Bank (China) Company Limited Shanghai |
| CHINA B-SHARE | HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA | <p>JPMorgan Chase Bank, N.A. ** New York</p> <p>JPMorgan Chase Bank, N.A. ** Hong Kong</p> |
| CHINA CONNECT | JPMorgan Chase Bank, N.A. ** 48th Floor, One Island East 18 Westlands Road, Quarry Bay HONG KONG | JPMorgan Chase Bank, N.A. ** Hong Kong |
| COLOMBIA | Cititrust Colombia S.A. Carrera 9 A # 99 02, 3rd floor Bogota COLOMBIA | Cititrust Colombia S.A. Bogotá |
| COSTA RICA | Banco BCT, S.A. 150 Metros Norte de la Catedral Metropolitana Edificio BCT San Jose COSTA RICA | Banco BCT, S.A. San Jose |
| CROATIA | Privredna banka Zagreb d.d. Radnicka cesta 50 10000 Zagreb CROATIA | Zagrebacka banka d.d. Zagreb |
| CYPRUS | HSBC Bank plc 109-111, Messogian Ave. 115 26 Athens GREECE | J.P. Morgan AG** Frankfurt am Main |
| CZECH REPUBLIC | UniCredit Bank Czech Republic and Slovakia, a.s. BB Centrum-FILADELFIE Zeletavska 1525-1 140 92 Prague 1 CZECH REPUBLIC | Ceskoslovenska obchodni banka, a.s. Prague |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|------------------|---|--|
| DENMARK | Nordea Bank Danmark A/S Christiansbro Strandgade 3 P.O. Box 850 DK-0900 Copenhagen DENMARK | Nordea Bank Danmark A/S Copenhagen |
| EGYPT | Citibank, N.A. 4 Ahmed Pasha Street Garden City Cairo EGYPT | Citibank, N.A. Cairo |
| ESTONIA | Swedbank AS Liivalaia 8 15040 Tallinn ESTONIA | J.P. Morgan AG** Frankfurt am Main |
| FINLAND | Nordea Bank Finland Plc Aleksis Kiven katu 3-5 FIN-00020 NORDEA Helsinki FINLAND | J.P. Morgan AG** Frankfurt am Main |
| FRANCE | BNP Paribas Securities Services S.C.A. Les Grands Moulins de Pantin 9, rue du Debarcadere 93500 Pantin FRANCE | J.P. Morgan AG** Frankfurt am Main |
| GERMANY | Deutsche Bank AG Alfred-Herrhausen-Allee 16-24 D-65760 Eschborn GERMANY J.P. Morgan AG*** Taunustor 1 (TaunusTurm) 60310 Frankfurt am Main GERMANY # Custodian for local German custody clients only. | J.P. Morgan AG** Frankfurt am Main |
| GHANA | Standard Chartered Bank Ghana Limited Accra High Street P.O. Box 768 Accra GHANA | Standard Chartered Bank Ghana Limited Accra |
| GREECE | HSBC Bank plc Messogion 109-111 11526 Athens GREECE | J.P. Morgan AG** Frankfurt am Main |
| HONG KONG | JPMorgan Chase Bank, N.A.** 48th Floor, One Island East 18 Westlands Road, Quarry Bay HONG KONG | JPMorgan Chase Bank, N.A.** Hong Kong |
| HUNGARY | Deutsche Bank AG Hold utca 27 H-1054 Budapest HUNGARY | ING Bank N.V. Budapest |
| *ICELAND* | Islandsbanki hf. Kirkjusandur 2 IS-155 Reykjavik ICELAND | Islandsbanki hf. Reykjavik |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|-------------------|--|--|
| INDIA | JPMorgan Chase Bank, N.A.** 6th Floor, Paradigm 'B' Wing MindSpace, Malad (West) Mumbai 400 064 INDIA | JPMorgan Chase Bank, N.A.** Mumbai |
| INDONESIA | Deutsche Bank AG Deutsche Bank Building 80 Jl. Inman Bonjol Jakarta 10310 INDONESIA | Deutsche Bank AG Jakarta |
| IRELAND | JPMorgan Chase Bank, N.A.** 25 Bank Street, Canary Wharf London E14 5JP UNITED KINGDOM | J.P. Morgan AG** Frankfurt am Main |
| ISRAEL | Bank Leumi le-Israel B.M. 35, Yehuda Halevi Street 65136 Tel Aviv ISRAEL | Bank Leumi le-Israel B.M. Tel Aviv |
| ITALY | BNP Paribas Securities Services S.C.A. Via Aspetto, 5 20123 Milan ITALY | J.P. Morgan AG** Frankfurt am Main |
| JAPAN | Mizuho Bank, Ltd. 2-15-1, Konan Minato-ku Tokyo 108-6009 JAPAN The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1-3-2 Nihombashi Hongoku-cho Chuo-ku Tokyo 103-0021 JAPAN | JPMorgan Chase Bank, N.A.** Tokyo |
| JORDAN | Standard Chartered Bank Shmeissani Branch Al-Thaqafa Street Building # 2 P.O.BOX 926190 Amman JORDAN | Standard Chartered Bank Amman |
| KAZAKHSTAN | JSC Citibank Kazakhstan Park Palace, Building A, Floor 2 41 Kazybek Bi Almaty 050010 KAZAKHSTAN | JSC Citibank Kazakhstan Almaty |
| KENYA | Standard Chartered Bank Kenya Limited Chiromo 48 Westlands Road Nairobi 00100 KENYA | Standard Chartered Bank Kenya Limited Nairobi |
| KUWAIT | HSBC Bank Middle East Limited Kuwait City, Qibla Area Hamad Al-Sagr Street, Kharafi Tower G/1/2 Floors Safat 13017 KUWAIT | HSBC Bank Middle East Limited Safat |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|--------------------|--|---|
| LATVIA | Swedbank AS Balasta dambis 1a Riga LV-1048 LATVIA | J.P. Morgan AG** Frankfurt am Main |
| LEBANON | HSBC Bank Middle East Limited HSBC Main Building Riad El Solh, P.O. Box 11-1380 1107-2080 Beirut LEBANON | JPMorgan Chase Bank, N.A. ** New York |
| LITHUANIA | AB SEB Bankas 12 Gedimino pr. LT 2600 Vilnius LITHUANIA | AB SEB Bankas Vilnius J.P. Morgan AG** Frankfurt am Main |
| LUXEMBOURG | BNP Paribas Securities Services S.C.A. 33, Rue de Gasperich L-5826 Hesperange LUXEMBOURG | J.P. Morgan AG** Frankfurt am Main |
| *MALAWI* | Standard Bank Limited, Malawi 1st Floor Kaomba House Cnr Glyn Jones Road & Victoria Avenue Blantyre MALAWI | Standard Bank Limited, Malawi Blantyre |
| MALAYSIA | HSBC Bank Malaysia Berhad 2 Leboh Ampang 12th Floor, South Tower 50100 Kuala Lumpur MALAYSIA | HSBC Bank Malaysia Berhad Kuala Lumpur |
| MAURITIUS | The Hongkong and Shanghai Banking Corporation Limited HSBC Centre 18 Cybercity Ebene MAURITIUS | The Hongkong and Shanghai Banking Corporation Limited Ebene |
| MEXICO | Banco Nacional de Mexico, S.A. Act. Roberto Medellin No. 800 3er Piso Norte Colonia Santa Fe 01210 Mexico, D.F. MEXICO | Banco Santander (Mexico), S.A. Mexico, D.F. |
| MOROCCO | Société Générale Marocaine de Banques 55 Boulevard Abdelmoumen Casablanca 20100 MOROCCO | Attijariwafa Bank S.A. Casablanca |
| NAMIBIA | Standard Bank Namibia Limited Mutual Platz 2nd Floor, Standard Bank Centre Cnr. Stroebeel and Post Streets P.O.Box 3327 Windhoek NAMIBIA | The Standard Bank of South Africa Limited Johannesburg |
| NETHERLANDS | BNP Paribas Securities Services S.C.A. Herengracht 595 1017 CE Amsterdam NETHERLANDS | J.P. Morgan AG** Frankfurt am Main |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|--------------------|--|--|
| NEW ZEALAND | JPMorgan Chase Bank, N.A.** Level 13, 2 Hunter Street Wellington 6011 NEW ZEALAND | Westpac Banking Corporation Wellington |
| NIGERIA | Stanbic IBTC Bank Plc Plot 1712 Idejo Street Victoria Island Lagos NIGERIA | Stanbic IBTC Bank Plc Lagos |
| NORWAY | Nordea Bank Norge ASA Essendropsgate 7 PO Box 1166 NO-0107 Oslo NORWAY | Nordea Bank Norge ASA Oslo |
| OMAN | HSBC Bank Oman S.A.O.G. 2nd Floor Al Khuwair PO Box 1727 PC 111 Seeb OMAN | HSBC Bank Oman S.A.O.G. Seeb |
| PAKISTAN | Standard Chartered Bank (Pakistan) Limited P.O. Box 4896 Ismail Ibrahim Chundrigar Road Karachi 74000 PAKISTAN | Standard Chartered Bank (Pakistan) Limited Karachi |
| PERU | Citibank del Perú S.A. Av. Canaval y Moreyra 480 Piso 4 San Isidro Lima 27 PERU | Citibank del Perú S.A. Lima |
| PHILIPPINES | The Hongkong and Shanghai Banking Corporation Limited 7/F HSBC Centre 3058 Fifth Avenue West Bonifacio Global City 1634 Taguig City PHILIPPINES | The Hongkong and Shanghai Banking Corporation Limited Taguig City |
| POLAND | Bank Handlowy w. Warszawie S.A. ul. Senatorska 16 00-923 Warsaw POLAND | mBank S.A. Warsaw |
| PORTUGAL | BNP Paribas Securities Services S.C.A. Avenida D.João II, Lote 1.18.01, Bloco B, 7º andar 1998-028 Lisbon PORTUGAL | J.P. Morgan AG** Frankfurt am Main |
| QATAR | HSBC Bank Middle East Limited 2nd Floor, Ali Bin Ali Tower Building 150 (Airport Road) PO Box 57 Doha QATAR | HSBC Bank Middle East Limited Doha |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|------------------------|--|---|
| ROMANIA | Citibank Europe plc 145 Calea Victoriei 1st District 010072 Bucharest ROMANIA | ING Bank N.V. Bucharest |
| RUSSIA | J.P. Morgan Bank International (Limited Liability Company)** 10, Butyrsky Val White Square Business Centre Floor 12 Moscow 125047 RUSSIA | JPMorgan Chase Bank, N.A. ** New York |
| SAUDI ARABIA | HSBC Saudi Arabia Limited 2/F HSBC Building Olaya Road, AlMurooj Riyadh 11413 SAUDI ARABIA | HSBC Saudi Arabia Limited Riyadh |
| SERBIA | Unicredit Bank Srbija a.d. Airport City Belgrade Omladinskih Brigada 88 11070 Belgrade SERBIA | Unicredit Bank Srbija a.d. Belgrade |
| SINGAPORE | DBS Bank Ltd 10 Toh Guan Road DBS Asia Gateway, Level 04-11 (4B) 608838 SINGAPORE | Oversea-Chinese Banking Corporation Singapore |
| SLOVAK REPUBLIC | UniCredit Bank Czech Republic and Slovakia, a.s. Sancova 1/A SK-813 33 Bratislava SLOVAK REPUBLIC | J.P. Morgan AG** Frankfurt am Main |
| SLOVENIA | UniCredit Banka Slovenija d.d. Smartinska 140 SI-1000 Ljubljana SLOVENIA | J.P. Morgan AG** Frankfurt am Main |
| SOUTH AFRICA | FirstRand Bank Limited 1 Mezzanine Floor, 3 First Place, Bank City Cnr Simmonds and Jeppe Streets Johannesburg 2001 SOUTH AFRICA | The Standard Bank of South Africa Limited Johannesburg |
| SOUTH KOREA | Standard Chartered Bank Korea Limited 47 Jongro, Jongro-Gu Seoul 110-702 SOUTH KOREA Kookmin Bank Co., Ltd. 84, Namdaemun-ro Jung-gu, Seoul 100-845 SOUTH KOREA | Standard Chartered Bank Korea Limited Seoul |
| SPAIN | Santander Securities Services, S.A. Ciudad Grupo Santander Avenida de Cantabria, s/n Edificio Ecnar, planta baja Boadilla del Monte 28660 Madrid SPAIN | J.P. Morgan AG** Frankfurt am Main |

Correspondent banks are listed for information only.

** J.P. Morgan affiliate.

| Market | Sub Custodian | Cash Correspondent Bank |
|----------------------------|---|--|
| SRI LANKA | The Hongkong and Shanghai Banking Corporation Limited 24 Sir Baron Jayatilaka Mawatha Colombo 1 SRI LANKA | The Hongkong and Shanghai Banking Corporation Limited Colombo |
| SWEDEN | Nordea Bank AB (publ) Hamngatan 10 SE-105 71 Stockholm SWEDEN | Svenska Handelsbanken Stockholm |
| SWITZERLAND | UBS Switzerland AG 45 Bahnhofstrasse 8021 Zurich SWITZERLAND | UBS Switzerland AG Zurich |
| TAIWAN | JPMorgan Chase Bank, N.A. ** 8th Floor, Cathay Xin Yi Trading Building No. 108, Section 5, Xin Yi Road Taipei 11047 TAIWAN | JPMorgan Chase Bank, N.A. ** Taipei |
| *TANZANIA* | Stanbic Bank Tanzania Limited Stanbic Centre Corner Kinondoni and A.H.Mwinyi Roads P.O. Box 72648 Dar es Salaam TANZANIA | Stanbic Bank Tanzania Limited Dar es Salaam |
| THAILAND | Standard Chartered Bank (Thai) Public Company Limited 14th Floor, Zone B Sathorn Nakorn Tower 90 North Sathorn Road Bangrak Silom, Bangrak Bangkok 10500 THAILAND | Standard Chartered Bank (Thai) Public Company Limited Bangkok |
| TRINIDAD AND TOBAGO | Republic Bank Limited 9-17 Park Street Port of Spain TRINIDAD AND TOBAGO | Republic Bank Limited Port of Spain |
| TUNISIA | Banque Internationale Arabe de Tunisie, S.A. 70-72 Avenue Habib Bourguiba P.O. Box 520 Tunis 1000 TUNISIA | Banque Internationale Arabe de Tunisie, S.A. Tunis |
| TURKEY | Citibank A.S. Inkilap Mah., Yilmaz Plaza O. Faik Atakan Caddesi No: 3 34768 Umraniye-Istanbul TURKEY | JPMorgan Chase Bank, N.A. ** Istanbul |
| UGANDA | Standard Chartered Bank Uganda Limited 5 Speke Road P.O. Box 7111 Kampala UGANDA | Standard Chartered Bank Uganda Limited Kampala |

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| *UKRAINE* | PJSC Citibank 16-G Dlova Street 03150 Kiev UKRAINE | PJSC Citibank Kiev JPMorgan Chase Bank, N.A. ** New York |
| UNITED ARAB EMIRATES – ADX | HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES | The National Bank of Abu Dhabi Abu Dhabi |
| UNITED ARAB EMIRATES – DFM | HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES | The National Bank of Abu Dhabi Abu Dhabi |
| UNITED ARAB EMIRATES – NASDAQ DUBAI | HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES | JPMorgan Chase Bank, N.A. ** New York |
| UNITED KINGDOM | JPMorgan Chase Bank, N.A. ** 25 Bank Street, Canary Wharf London E14 5JP UNITED KINGDOM Deutsche Bank AG Depository and Clearing Centre 10 Bishops Square London E1 6EG UNITED KINGDOM | JPMorgan Chase Bank, N.A. ** London Varies by currency |
| UNITED STATES | JPMorgan Chase Bank, N.A. ** 4 New York Plaza New York NY 10004 UNITED STATES | JPMorgan Chase Bank, N.A. ** New York |
| URUGUAY | Banco Itaú Uruguay S.A. Zabala 1463 11000 Montevideo URUGUAY | Banco Itaú Uruguay S.A. Montevideo |
| VENEZUELA | Citibank, N.A. Avenida Casanova Centro Comercial El Recreo Torre Norte, Piso 19 Caracas 1050 VENEZUELA | Citibank, N.A. Caracas |
| VIETNAM | HSBC Bank (Vietnam) Ltd. Centre Point 106 Nguyen Van Troi Street Phu Nhuan District Ho Chi Minh City VIETNAM | HSBC Bank (Vietnam) Ltd. Ho Chi Minh City |
| *WAEMU-BENIN, BURKINA FASO, GUINEA-BISSAU, IVORY COAST, MALI, NIGER, SENEGAL, TOGO* | Standard Chartered Bank Côte d'Ivoire SA 23 Boulevard de la Republique 1 01 B.P. 1141 Abidjan 17 IVORY COAST | Standard Chartered Bank Côte d'Ivoire SA Abidjan |

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| ZAMBIA | Standard Chartered Bank Zambia Plc Standard Chartered House Cairo Road P.O. Box 32238 Lusaka 10101 ZAMBIA | Standard Chartered Bank Zambia Plc Lusaka |
| *ZIMBABWE* | Stanbic Bank Zimbabwe Limited Stanbic Centre, 3rd Floor 59 Samora Machel Avenue Harare ZIMBABWE | Stanbic Bank Zimbabwe Limited Harare |

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